

EXHIBIT 140



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A Survey of Dispensing Costs of Pharmaceuticals in the Commonwealth of Kentucky

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EXHIBITS

Chapter

1

Executive Summary

Introduction

Under contract to the Kentucky Department for Medicaid Services, Myers and Stauffer LC performed a study of the cost of dispensing prescription medications to Medicaid recipients in the Commonwealth of Kentucky. Components of this study include:

- Pharmacy dispensing cost survey
- Prescription charge survey
- Estimated acquisition costs study

This report includes a narrative of the methodologies and findings relevant to the survey of dispensing costs and prescription charges. A separate report issued by Myers and Stauffer LC includes discussion of a study of pharmaceutical acquisition costs.

The dispensing cost study used a proven cost survey instrument similar to that used by Myers and Stauffer in Medicaid pharmacy engagements in 14 other states and consistent with the methodology of our previous Kentucky studies¹. All Kentucky pharmacy providers enrolled in the Medicaid program and dispensing more than 500 Medicaid prescriptions annually were surveyed; 466 filed cost surveys that could be included in this analysis. All dispensing cost surveys were subject to extensive desk review procedures. Seventeen pharmacies were selected for on-site field examinations to validate reported costs.

¹ Previous reports related to Medicaid pharmacy issues by Myers and Stauffer LC that were prepared for the Kentucky Department for Medicaid Services include:

- *A Study of the Cost of Economically and Efficiently Dispensed Prescription Medications*, January 1998
- *A Survey of Costs of Dispensing Prescriptions and Estimated Acquisition Cost in the State of Kentucky*, August 1998
- *A Survey of Dispensing and Acquisition Costs of Pharmaceuticals in the Commonwealth of Kentucky*, August 1999

Summary of Findings

The significant findings of the study are as follows:

- **The statewide median cost of dispensing, weighted by Medicaid volume, was \$4.51.** This figure of \$4.51 is \$0.04 less than findings from the 1999 study. Although some inflationary pressures have operated on pharmacies in the interim period between surveys, mean pharmacy total prescription volume has also increased from approximately 64,000 prescriptions in the 1999 study to approximately 73,000 prescriptions in this study. This increase in volume and accompanying increases in efficiency have served to offset cost increases due to inflation.
- No association was found between dispensing cost and unit-dose packaging or other measures of long term care dispensing activity; i.e., retail and long term care pharmacies had similar average costs of dispensing.
- There was an association found between dispensing cost and the chain or non-chain affiliation status of the pharmacy. This phenomenon, however, appears to be related to the higher total prescription volume of chain stores and the increased efficiency associated with higher volume.
- No association was found between dispensing cost and the urban or rural location of a pharmacy.
- No systematically higher costs were associated with pharmacies that have a higher percentage of Medicaid prescription volume.

Table 1.1 Dispensing Cost^A for Kentucky Pharmacies

Pharmacies Included in Analysis ^B	453
Unweighted Mean	\$5.29
Weighted Median ^C	\$4.51
25 th Percentile ^C	\$3.82

^A Excluding state prescription tax and inflated to June 30, 2000.

^B Excludes 13 pharmacies that dispensed a significant amount of intravenous prescriptions.

^C Weighted by Medicaid volume.

Conclusions

Based on the survey of pharmacy dispensing costs in the Commonwealth of Kentucky, a review of the academic literature, and the reimbursement rates of other payers, our analysis indicates a pharmacy dispensing fee for all prescriptions set at \$4.51 would reimburse reasonable dispensing costs incurred by pharmacies in the aggregate. Our study of dispensing costs does not support the need for any add-on to the dispensing fee for prescriptions dispensed in unit dose packaging.

Chapter

2

Program Overview

Kentucky Medicaid Pharmacy Program Overview

The Kentucky Medicaid program includes a benefit for prescription drugs. This program allows recipients access to many commonly prescribed drugs through its formulary.

The current dispensing fee reimbursed is \$4.75 (\$5.75 for nursing facility patients) and ingredient reimbursement is AWP minus 10.0% (with limitations). Medicaid reimbursement is based on the lower of the following prescription charge formulas:

- Average Wholesale Price minus 10.0% plus a dispensing fee for single source products and multiple source products with no Federal Upper Limit (FUL). A physician may override the FUL limits by indicating "brand medically necessary" on a prescription for multi-source drugs with FUL limits.
- Federal Upper Limit (FUL), when applicable for multi-source products, plus a dispensing fee.
- Provider's usual and customary charge to other payers.

Approximately 1,200 pharmacy providers participate in the Kentucky Medicaid drug program. Approximately 41% of the stores are chain-affiliated, and 59% are independently-owned stores. Independent providers are responsible for 72% of the Medicaid volume. Among Kentucky Medicaid providers, the average annual Medicaid volume is approximately 9,400 prescriptions. This average is impacted by a small number of pharmacies filling over 100,000 prescriptions per year. The median annual Medicaid volume is much less, roughly 3,600 prescriptions.

Drug Utilization Profile

Myers and Stauffer obtained a claims summary file from the Department for Medicaid Services. This file summarized pharmacy claims processed for calendar

year 1999. Information from this file indicates that the Kentucky Medicaid program reimbursed²:

- Approximately 21,000 drug products.
- 10.5 million prescriptions.
- \$360 million for prescription drug products.

Although approximately 86% of the 21,000 drug products and 64% of the 10.5 million prescriptions were multi-source drug products, these products account for only 30% (\$109.7 million) of the expenditures. The majority of the program's expenditures, \$250.3 million, were for brand-name drug products. The proportion of drug expenditures that is for brand name drugs has increased in recent years as new and more expensive pharmaceutical products continue to become available.

Reimbursement for most multi-source drug products is limited by FUL prices. For drugs on the FUL list, HCFA semiannually reviews and updates the FUL drug list. Each FUL equates to 150% of the lowest wholesale price listed in any of the various published compendia of cost information of drugs. The following table summarizes the makeup of the program's expenditures by brand name and multi-source categories. The table also subdivides drug products based on whether the product has a Federal Upper Limit.

Table 2.1 Summary of Drug Program Utilization

	Product Type	Number of Drug Products	Number of Prescriptions	Amount Reimbursed	Percent of Program Expenditures
	Brand Name Products	3,009	3,822,493	\$250,160,081	70%
Multi-Source Products	Products with an FUL Price	7,780	2,910,496	\$33,088,089	9%
	Products without an FUL Price	10,364	3,790,169	\$76,579,081	21%
	Subtotal: Multi-Source Products	18,144	6,700,665	\$109,667,170	30%
	Total: All Products	21,153	10,523,158	\$359,827,251	100%

Note: Existence of FUL prices is based upon November 1999 prices. Utilization figures were obtained from the Department for Medicaid Services and are for Calendar Year 1999.

² Medicaid recipients in some regions of Kentucky were integrated into managed care programs. Accordingly, these recipients receive pharmaceutical benefits outside of the traditional fee-for-service program.

Chapter

3

Dispensing Cost Survey

The two primary components for reimbursement of pharmaceuticals are drug ingredient cost and the dispensing fee. The dispensing, or professional, fee is paid to pharmacies to cover their overhead and labor costs. Federal regulations at 42 CFR 447.331-333 require states to establish a reasonable dispensing fee and to document their pharmacy reimbursement methodology in their state plan. The Kentucky Department for Medicaid Services is required by K.R.S. 205.561 to produce an annual report with estimates of the costs of dispensing prescription medication to Medicaid eligible recipients. Dispensing fees for Medicaid programs have typically been based on an analysis of costs incurred by pharmacies within the state and tend to vary somewhat from state to state. In order to determine costs incurred to dispense pharmaceuticals to Medicaid recipients in the Commonwealth of Kentucky, Myers and Stauffer utilized a survey method consistent with the methodology of the previous surveys conducted by Myers and Stauffer for the Department. The methodology and results of those surveys were reported to the Department in August 1998, and August 1999. This method is also similar to the approach which Myers and Stauffer has used as the basis for analysis of dispensing costs in seventeen states.

Methodology of the Survey**Development of Methodology**

Survey methodologies used by the firm have been developed and refined since our first dispensing cost study engagements in the 1970's. The cost accounting principles used in the study are, however, standard to the health care industry and are similar to methods other experts have used to study pharmacy dispensing cost. Please refer to Appendix A for references to other pharmacy studies and the accounting principles which provide background to the methodologies used in this study.

Survey Population

The Kentucky Department for Medicaid Services provided Myers and Stauffer with a list of pharmacy providers currently enrolled in the Medicaid program. Cost surveys were sent to all pharmacies with an annual Medicaid volume in excess of 500 prescriptions. Of the 1,033 pharmacies receiving cost surveys, 599 were independent pharmacies and 434 were chain pharmacies.

Mailing Procedures

Survey forms were mailed on September 12, 2000, to pharmacy providers currently enrolled in the Medicaid program. Each pharmacy received a copy of the cost survey (Exhibit 1), a list of instructions (Exhibit 2), a letter of introduction from the Commonwealth of Kentucky (Exhibit 3), a letter of explanation from Myers and Stauffer (Exhibits 4 and 5), and a business reply envelope.

Survey Participation

Of the 1,033 surveyed pharmacies, 25 pharmacies were determined to be ineligible to participate. Providers were deemed ineligible if they had closed their pharmacy, had a change of ownership, or had less than six months of cost data available.

Concerted efforts to encourage maximum participation were made by various parties concerned with the success of the survey. Official letters (Exhibits 3 and 7) explaining the purpose of the study was sent to the sampled pharmacy providers by the Kentucky Department for Medicaid Services. The cost survey forms and instructions and a letter of explanation from Myers and Stauffer (Exhibits 4, 5, and 9) offered pharmacy owners the option of having Myers and Stauffer complete certain sections of the survey form if copies of financial statements and/or tax returns were supplied. A toll-free telephone number was listed on the survey form, and pharmacists were urged to call to resolve any questions they had concerning completion of the survey form. Two letters from the Kentucky Pharmacists Association (Exhibits 6 and 8) were also sent to the surveyed pharmacies.

By the original filing deadline of October 2, 2000, 257 cost surveys had been received. In an effort to increase the response rate, staff from the Department for Medicaid Services made phone calls to non-responding pharmacies beginning during the week of October 2. Additionally, the Cabinet for Health Services, Office of General Counsel, sent a letter to non-responding pharmacies encouraging them to participate in the survey (Exhibit 10).

As is typical with these projects, many of the submitted cost surveys contained errors or were incomplete. For cost surveys with such errors or omissions, the pharmacy was contacted for clarification. There were some cases in which issues

on the cost survey were not resolved in time for inclusion in the final analysis. Ultimately, 466 surveys were entered into a database and used in our analysis of dispensing costs.

The following table, 3.1, summarizes the cost survey response rate.

Table 3.1 Pharmacies Responding to Cost Survey

Type of Pharmacy	Total Medicaid Participating Pharmacies	Pharmacies Receiving Cost Surveys	Pharmacies Exempt from Filing	Eligible Pharmacies	Usable Cost Surveys Received	Response Rate
Chain	501	434	0	434	183	42%
Independent	732	599	25	574	283	49%
TOTAL	1,233	1,033	25	1,008	466	46%

Reporting Bias

Since the response rate of the sample pharmacies was less than 100 percent, the possibility of bias in the responding sample should be considered. To measure the likelihood of this possible bias, chi square (χ^2) tests were performed. This test was used to determine whether the final sample was independent of bias with respect to chains versus independents and other traits.

The results of the χ^2 tests indicate that the final sample of 466 cost surveys was not biased with regards to the chain versus independent affiliation status or the urban versus rural location of the submitting pharmacies.

Receipt and Review Procedures

For confidentiality purposes, each pharmacy was randomly assigned a four-digit identification number and each cost survey was carefully examined. This review identified cost surveys considered incomplete, and pharmacies submitting these cost surveys were sent a "Request for Additional Information" letter specifying the information necessary for completion (Exhibit 11). Those pharmacies not responding to the request for additional information were sent a second request for additional information. Pharmacies not responding to this second request for additional information were contacted by telephone.

Field Examination Procedures

A total of 17 pharmacies were selected for a field examination. The selection was primarily random, but geographic location was taken into consideration. A letter was sent to each selected pharmacy explaining the selection process, the time period during which the field examination would take place, and the necessary data to have available. Each pharmacy was then contacted by telephone for

further explanation of the field examination and confirmation of the time and date. An examination file was prepared for each of the pharmacies containing a uniform field examination program, a copy of the completed reviewed cost survey, and other necessary work papers.

Following the actual visit to the pharmacy, work papers were completed by making a second examination of each file to ensure that all necessary information had been obtained. A follow-up letter was sent to each pharmacy visited, expressing appreciation for the time and cooperation of pharmacy personnel. Each work paper file was reviewed for quality assurance. Results of the field examinations showed no significant bias in overstating or understating costs reported on the cost survey (Exhibit 12).

Cost Finding Procedures

Cost finding is the process of recasting cost data using rules or formulas in order to accomplish an objective. In this study, the objective is to estimate the cost of dispensing prescriptions to Medicaid recipients. To accomplish this objective, some pharmacy costs must be allocated between the prescription dispensing function and other business activities. This process identified the reasonable and allowable costs necessary for prescription dispensing to Medicaid recipients.

Most pharmacies are also engaged in lines of business other than the dispensing of prescription drugs. For example, many pharmacies have a retail business with sales of over-the-counter (OTC) drugs and other non-medical items. Some pharmacies are involved in the sale of durable medical equipment. The existence of these other lines of business necessitate that procedures be taken to isolate the costs involved in the prescription dispensing function of the pharmacy.

Dispensing cost consists of two components: overhead and labor. The cost finding rules employed to determine each of these components are described in the following sections.

Overhead Costs

Overhead cost per prescription was calculated by summing the allocated overhead of each pharmacy and dividing this sum by the number of prescriptions dispensed. Overhead expenses originally reported for the entire pharmacy were allocated to the prescription department based on either:

- Sales ratio (prescription sales divided by total sales)
- Area ratio (prescription department floor space (in square feet) divided by total floor space)
- All (100%)
- None

Overhead costs that were considered *entirely prescription-related* include:

- Prescription department fees
- Prescription delivery expense
- Prescription computer expense
- Prescription containers and labels (For many pharmacies the costs associated with prescription containers is captured in their cost of goods. Subsequently, it was often the case that a pharmacy was unable to report expenses for prescription containers. In order to maintain consistency, a standardized allowance for prescription containers was determined in conjunction with a consultant pharmacist. See Exhibit 13.)
- Certain other expenses that were separately identified on lines 27-29³ (see the cost survey in Exhibit 1)

Overhead costs that were *not allocated as a prescription expense* include:

- Income taxes⁴
- Bad debts⁵
- Advertising
- Contributions⁶

Certain costs reported on Lines 27, 28, and 29 were occasionally excluded. An example is freight expense, which usually relates only to nonprescription purchases or cost of goods sold.

The remainder of the costs was assumed to be related to *both prescription and nonprescription sales*. Joint cost allocation is necessary to avoid understating or overstating the cost of filling a prescription.

³ Expenses that were considered entirely prescription-related were transferred to Line 28. One example is continuing professional education for a pharmacist.

⁴ Income taxes are not considered an operational cost because they are based upon the profit of the pharmacy operation. Although a separate line was provided for the state income taxes of corporate filers, it was not allowed as a prescription cost in order to afford equal treatment to each pharmacy, regardless of the type of ownership.

⁵ Bad debts were not considered a prescription-related expense since they are revenue offsets arising through an accrual recognition of revenues which are later found to be not collectible. Disallowing this expense also afforded equal treatment to providers, irrespective of their method of accounting.

⁶ Individual proprietors and partners are not allowed to deduct contributions as a business expense for federal income tax purposes. Any contributions made by their business are deducted along with personal contributions as itemized deductions. However, corporations are allowed to deduct contributions as a business expense for federal income tax purposes. Thus, while Line 19 on the cost report recorded the business contributions of a corporation, none of these costs were allocated as a prescription expense. This, again, afforded equal treatment for each type of ownership.

Those overhead costs allocated on the ratio of the *floor space* (as previously defined) include:

- Depreciation
- Real estate taxes
- Rent
- Repairs
- Utilities

The costs in these categories were considered a function of floor space. For example, the larger the facility, the higher the rent, if other factors are considered equal. The floor space ratio was increased by 50 percent from that reported on the original cost survey to allow for waiting area for patients and prescription department office area. The resulting ratio was adjusted downward, when necessary, not to exceed the sales ratio (in order to avoid allocating 100% of these costs in the rare instance where the prescription department occupies the majority of the area of the store).

Overhead costs allocated using the *sales ratio* include:

- Personal property taxes
- Other taxes
- Insurance
- Interest
- Accounting and legal fees
- Telephone and supplies
- Dues and publications

Labor Costs

Labor costs are calculated by allocating total salaries, payroll taxes, and benefits based on the percent of time spent in the prescription department. The allocations for each labor category were summed and then divided by the number of prescriptions dispensed to calculate labor cost per prescription. There are various classifications of salaries and wages requested on the cost survey (Lines 31-44) due to the different cost treatment given to each labor classification.

The total salaries, payroll taxes, and benefits of employee pharmacists (Lines 34-38) were multiplied by a factor based upon the percent of prescription time. Although some employee pharmacists spent a portion of their time performing nonprescription duties, it was assumed that their economic productivity when performing nonprescription functions was less than their productivity when

performing prescription duties. Therefore, a higher percentage of salaries, payroll taxes, and benefits was allocated to prescription labor costs than would have been allocated if a simple percent of time allocation was utilized. Specifically, the percent of prescription time indicated was multiplied by two and divided by the percent of prescription time plus one.

An Example:

An employee pharmacist spends 90 percent of their time in the prescription department. The 90 percent factor would be modified to 95 percent:

$$\frac{(2)(.9)}{(1 + .9)}$$

Thus, 95 percent of the reported salaries, payroll taxes, and benefits would be allocated to the prescription department. It should be noted that most employee pharmacists spent 100 percent of their time in the prescription department.

The allocation of salaries, payroll taxes, and benefits for all other prescription employees (Lines 39-43) was based directly upon the percentage of time spent in the prescription department as indicated on the individual cost survey. For example, if the reported percentage of prescription time was 75 percent and total salaries were \$10,000, then the allocated prescription cost would be \$7,500.

Owner Compensation Issues

The allocation of salaries, payroll taxes, and benefits of the owner pharmacists (Lines 31-33) was based upon the same modified percentage as that used for employee pharmacists. However, limitations were placed upon the allocated salaries, payroll taxes, and benefits of owner pharmacists. Since amounts shown for owner pharmacists are not historical costs that have arisen from arm's length negotiations, they are not similar to other costs. A pharmacy owner has a different attitude toward other expenses than toward his/her own salary. In fact, owners often pay themselves above the market costs of securing the services of an employee pharmacist. This excess effectively represents a withdrawal of business profits, not a cost of dispensing. Some owners may underpay themselves for business reasons, which would also misrepresent the true dispensing cost.

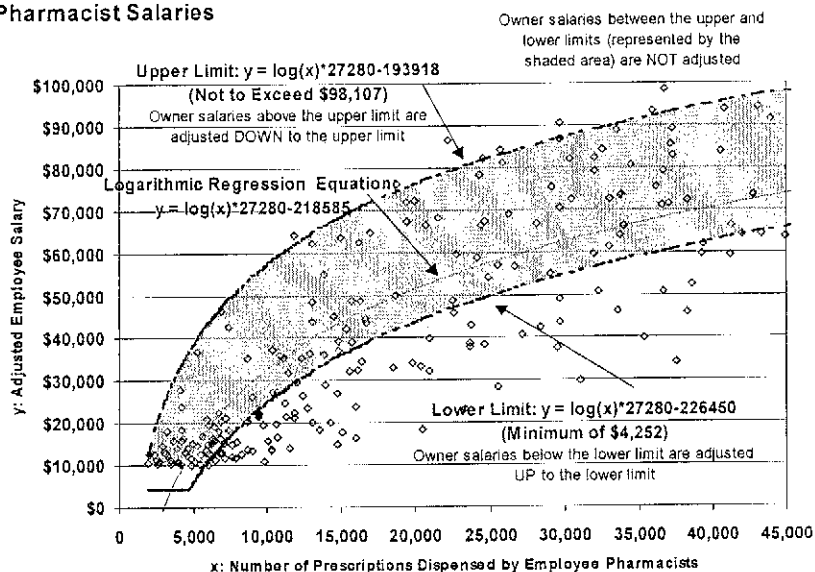
A factor considered in determining the allocation of owner's salaries was the variability in productivity. For example, one owner pharmacist may dispense 30,000 prescriptions per year while another may dispense 5,000. Those owner pharmacists who dispensed a greater number of prescriptions were allowed a higher salary than were owner pharmacists who dispensed a smaller number of prescriptions. Since variance is not nearly as great with respect to employee pharmacists, the owner pharmacist's salary was subjected to limits based upon employee pharmacists' salaries per prescription.

Determining Owner Compensation Allowances

To estimate the cost that would have been incurred had an employee been hired to perform the prescription-related functions actually performed by the owner, a statistical regression technique was used. A bivariate plot shows the correlation between an independent (predictor) variable and a dependent (predicted) variable. The upper

and lower limits on owner pharmacist salary were determined from a bivariate regression (Chart 3.1)⁷. In order to accurately reflect the trend of decreasing marginal costs with increasing volume, a regression technique that fit the bivariate data to a logarithmic curve was used. The resulting regression equation to predict pharmacist labor cost at varying amounts of work performed is:

Chart 3.1 Owner Pharmacist Limits Based on Employee Pharmacist Salaries



$$\text{Labor cost} = 27,280 \times \ln(\text{number of prescriptions dispensed}^8) - 218,585$$

(where \ln represents the natural logarithm function)

This equation was used to establish limits for allocating owner pharmacist costs. There was variation in actual employee salaries both above and below this regression line. This variation is measured by the equation's *standard error of the estimate*, \$14,997. The standard error of the estimate was used to construct upper and lower limits of owner pharmacist labor cost:

$$\begin{aligned} \text{Upper Limit} &= 27,280 \times \ln(\text{number of prescriptions dispensed}) - 193,918 \\ \text{Lower Limit} &= 27,280 \times \ln(\text{number of prescriptions dispensed}) - 226,450 \end{aligned}$$

These two constraints effectively set upper and lower thresholds at approximately the 30th and 95th percentiles of volume adjusted employee salaries. An additional

⁷ Employee pharmacist salary per prescription was used to set limitations on owner pharmacist salary estimates due to the "arm's length" nature and lack of variance in employee productivity compared with owner productivity.

⁸ The number of prescriptions filled by the owner pharmacist was determined by multiplying the percent of owner-filled prescriptions (Lines 31-33 of the cost report) by the total number of prescriptions dispensed (Line k).

constraint is a \$98,107 maximum annual salary and a \$4,252 minimum salary. These amounts are set at the 30th and 95th percentile of volume adjusted employee salaries.

There is no reason to believe that managerial or clerical duties performed by the nonpharmacist owners were more valuable to the prescription dispensing function than for other functions. As with other owners, the amount shown for salaries, payroll taxes, and benefits was not a result of arm's length negotiations. Therefore, an upper limit of \$25,000 and a lower limit of \$15,000 were placed upon these prescription costs. These limits were chosen based on experience in prior surveys. No adjustment was made to the percentage of prescription time factor for owner nonpharmacists (Lines 31-33).

Overall Labor Cost Constraints

An overall constraint was placed on the proportion of total reported labor that could be allocated as prescription labor. The constraint assumes that a functional relationship exists between the proportion of allocated prescription labor to total labor **and** the proportion of prescription sales to total sales. It is also assumed that a higher input of labor costs is necessary to generate prescription sales than nonprescription sales, within limits.

The parameters of the applied labor constraint are based upon an examination of data submitted by all pharmacies. These parameters are set in such a way that any resulting adjustment affects only those pharmacies with a percentage of prescription labor deemed unreasonable. For instance, the constraint would come into play for an operation that reported 75 percent pharmacy sales and 100 percent pharmacy labor (obviously, some labor must be devoted to generating the 25 percent nonprescription sales).

To determine the maximum percentage of total labor allowed, the following calculation was made:

$$\frac{0.3(\text{Sales Ratio})}{0.1 + (0.2)(\text{Sales Ratio})}$$

Inflation Factors

All allocated costs for overhead and labor were totaled and multiplied by an inflation factor. Inflation factors are intended to reflect cost changes from the middle of the reporting period of a particular pharmacy to a common fiscal period ending December 31, 2000 (specifically from the *midpoint* of the pharmacy's fiscal year to the *midpoint* of the common fiscal period, June 30, 2000). The

midpoint and terminal month indices used were taken from the U. S. Government Consumer Price Index (CPI), Urban Consumer (see Exhibit 14).⁹

The use of inflation factors is necessary in order for pharmacy cost data from various fiscal years to be compared uniformly. Recent experience with pharmacy cost studies has indicated that the CPI may tend to overstate increases in dispensing cost over an extended time. This appears to be the result of increased cost containment pressures exerted on retail pharmacies by reduced reimbursement from managed care entities.

⁹ The Bureau of Labor Statistics (BLS) calculates and publishes the CPI indices on a monthly basis. On September 28, 2000, BLS issued revised indices for the time period of January 2000 to August 2000. These minor revisions were a result of the discovery of an error in the software used to calculate one component of the CPI (All Urban). Further details regarding this revision to the CPI can be obtained from the BLS Internet web site: <http://stats.bls.gov>.

Analysis and Findings

The dispensing costs for all pharmacies in the sample are summarized in the tables and paragraphs following. Findings for all pharmacies in the sample are presented collectively, and additionally are presented for subsets of the sample based on pharmacy characteristics. There are several statistical measurements that may be used to express the central tendency of a distribution, the most common of which are the average, or mean, and the median (see sidebar). Findings are presented in the forms of means and medians, both raw and weighted.

In many real world settings such as this dispensing cost survey, statistical "outliers" are a common occurrence. These outlier pharmacies have dispensing costs that are not typical of the majority of pharmacies.

Medians are often preferred to averages (i.e. the arithmetic mean) in situations where the magnitude of outlier values results in an average that does not represent what is thought of as "average" or normal in the common sense. The measurement that is the most ideally suited for determining the typical cost of dispensing prescriptions to Medicaid recipients is the **median weighted by Medicaid volume**.

For all pharmacies in the sample, findings are presented in Table 3.2.

Different Measures of Central Tendency:

Unweighted mean: simply the average cost for each pharmacy.

Weighted mean: the average cost of all prescriptions dispensed by pharmacies included in the sample, weighted by prescription volume. The resulting number is the average cost for all prescriptions, rather than the average for all pharmacies as in the unweighted mean. This implies that low volume pharmacies have a smaller impact on the weighted average than high volume pharmacies. This approach, in effect, sums all costs in the sample and divides that sum by the total of all prescriptions in the sample. The weighting factor can be either total prescription volume or Medicaid prescription volume.

Median: the value that divides a set of observations (such as dispensing cost) in half. In the case of this survey, the median is the dispensing cost such that the cost of one half of the pharmacies in the set are less than or equal to the median and the dispensing costs of the other half are greater than or equal to the median.

Weighted Median: This is determined by finding the pharmacy observation that encompasses the middle value prescription. The implication is that one half of the prescriptions were dispensed at a cost of the weighted median or less, and one half were dispensed at the cost of the weighted median or more.

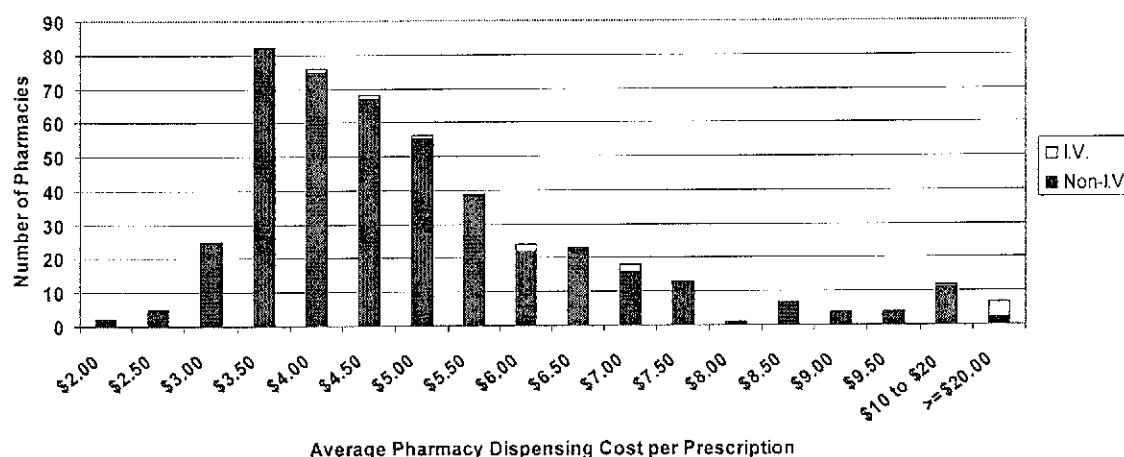
Suppose, for example, that there were 1,000,000 Medicaid prescriptions dispensed by the pharmacies in the sample. If the pharmacies were arrayed in order of dispensing cost, the median weighted by Medicaid volume, is the dispensing cost of the pharmacy that dispensed the middle, or 500,000th prescription.

Table 3.2 Cost Per Prescription – All Pharmacies

	Dispensing Cost
Median Weighted by Medicaid Volume	\$4.61
Median Weighted by Total Volume	\$4.58
Unweighted Median	\$4.76
Mean Weighted by Medicaid Volume	\$5.14
Mean Weighted by Total Volume	\$4.93
Unweighted Mean	\$5.80

(Dispensing Costs have been inflated to the common point of June 30, 2000)

Chart 3.2 is a histogram of the dispensing cost for all pharmacies in the sample. There was a large range between the highest, \$90.01, and lowest, \$2.39, dispensing cost observed for pharmacies in the sample. The majority of pharmacies (321), however, had dispensing costs between \$3.50 and \$6.00.

Chart 3.2 Dispensing Cost by Pharmacy

The most significant characteristic which affected pharmacy dispensing cost was the provision of intravenous (I.V.) solutions. Our analysis revealed significantly higher costs of dispensing is associated with the 13 pharmacies in the sample that provided significant levels of this service.

In every pharmacy dispensing study where information on I.V. solution dispensing activity has been collected by Myers and Stauffer, such activity has been found to be associated with higher dispensing costs. Discussions with pharmacists providing I.V. solutions indicate that the activities and costs involved in filling I.V. prescriptions are significantly different from the costs incurred by the typical retail (or long term care) pharmacy. The reasons for this difference include:

- Costs of special equipment for mixing and storage of I.V. solutions.

- Higher direct labor costs because most I.V. prescriptions must be mixed in the pharmacy, whereas the manual activities to fill a non-I.V. prescription are mainly limited to counting pills (or vials, etc.) and printing and affixing the label.
- A pharmacy may mix and deliver many “dispensings” of a daily I.V. solution from a single prescription, thus incurring additional costs spread over a smaller number of prescriptions.

This latter factor, in particular, can have a dramatic impact on increasing a pharmacy's apparent cost per prescription.

The differences in dispensing costs which were observed for providers of I.V. services compared to those pharmacies which did not offer I.V. services are summarized in Table 3.3.

Table 3.3 Cost Per Prescription - I.V. Versus non I.V. Pharmacies

Type of Pharmacy	Number of Pharmacies	Unweighted Mean Cost	Standard Deviation	Median Cost Weighted by Medicaid Volume
Pharmacies Dispensing I.V. Prescriptions (>5% of Rx Sales)	13	\$23.71	\$26.79	\$5.49
Pharmacies Not Dispensing Significant I.V. Prescriptions	453	\$5.29	\$2.14	\$4.51

(Dispensing Costs have been inflated to the common point of June 30, 2000)

The average percentage of I.V. prescription sales for these 13 pharmacies was 49%. Based on analyses performed in other studies, pharmacies that dispense I.V. prescriptions as a majority of their business can have dispensing costs far in excess of those found in a traditional pharmacy. Based on our cost findings, it must be concluded that the costs incurred to dispense I.V. prescriptions are not representative of the costs incurred by a general pharmacy. If the costs of I.V. services were to be included in the computation of an average or median dispensing cost that was then used to establish a reimbursement rate, the effect would be to pay approximately 95% of pharmacies an additional allowance for a service they never provided. And, for those pharmacies providing I.V. services, the marginal increase in the fee would be immaterial in relation to the cost of actually dispensing an I.V. prescription.¹⁰

Consequently, many of the analyses which follow, exclude providers which had dispensed a significant volume of I.V. prescriptions. Table 3.4 restates the

¹⁰ Although typical dispensing fees reimburse less than the dispensing costs of I.V. pharmacies, they are generally able to break even based on the margin allowed on ingredient cost reimbursement.

measurements noted in Table 3.2 excluding pharmacies that dispensed significant volumes of I.V. prescriptions.

Table 3.4 Cost Per Prescription – Excluding I.V. Pharmacies

	Dispensing Cost
Median Weighted by Medicaid Volume	\$4.51
25 th Percentile (Weighted by Medicaid Volume)	\$3.82
Median Weighted by Total Volume	\$4.45
Unweighted Median	\$4.74
Mean Weighted by Medicaid Volume	\$4.89
Mean Weighted by Total Volume	\$4.71
Unweighted Mean	\$5.29

(Dispensing Costs have been inflated to the common point of June 30, 2000)

Analysis of Pharmacy Characteristics

Responding pharmacies were categorized into various groups of interest and their dispensing costs analyzed to determine statistical significance. These characteristics include:

- Total prescription volume
- Chain versus independent pharmacy affiliation
- Urban versus rural pharmacy location
- Type of pharmacy ownership
- Total Medicaid volume
- Medicaid volume as a percent of total volume
- Provision of unit dose dispensing services

One way to determine the statistical significance of differences in dispensing cost between the pharmacies classified by the above referenced characteristics is through the use of a *t*-test. The sample data may show that a certain group of pharmacies has a sample mean lower or higher than another group. Recognizing that the data only represents a sample, a *t*-test is a statistical technique that seeks to determine if the findings are strong enough that a similar relationship can be expected to exist for the entire population. The *t*-test takes into consideration the sample's size, mean, and underlying variance. Although the preference of using a weighted median as a measurement of central tendency was previously explained, a *t*-test requires the comparison of the *unweighted mean* costs.

Exhibit 15 provides additional statistical measures including the standard error of the mean and confidence intervals. Confidence intervals given in Exhibit 15 were calculated using appropriate statistics from the *t* distribution at the 95% confidence level. These intervals are a range estimate for the population mean,

and are based upon the sample mean, standard deviation, and sample size. A 95% confidence interval identifies the range which one would expect the mean from *any* sample to fall 95% of the time. It can be inferred that there is a 95% probability that the population mean lies within the range of the confidence interval.

All costs referred to in these analyses have been inflation adjusted to the common point of June 30, 2000.

1) Total Prescription Volume

Pharmacies were classified into meaningful groups based upon their differences in total prescription volume. Dispensing costs were then analyzed based upon these volume classifications.

Table 3.5 Pharmacy Total Annual Prescription Volume

Total Annual Prescription Volume of Pharmacy	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost
0 to 49,999	176	\$6.52	\$2.76
50,000 to 99,999	193	\$4.65	\$1.10
100,000 and Higher	84	\$4.17	\$0.73

There is a significant correlation between a pharmacy's total prescription volume and the dispensing cost per prescription. For all categories noted above differences in the mean dispensing cost were statistically significant (at the 5% level of significance). This result is not surprising because many of the costs associated with any business, included the dispensing of prescriptions, are fixed in nature, and do not vary significantly with increased volume. For stores with a higher total prescription volume, these fixed costs are spread over a greater number of prescriptions resulting in lower costs per prescription. (A more detailed analysis of cost variations attributable to total prescription volume using statistical regression techniques is presented later in the report.)

2) Chain Versus Independent Pharmacy Affiliation

Of the 453 pharmacies which did not dispense a significant volume of I.V. prescriptions, 273 were independent pharmacies and 180 were chain pharmacies.

Table 3.6 Chain Versus Independent Pharmacies

Type of Pharmacy	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost	Average Annual Total Prescription Volume
Independent	273	\$5.50	\$2.40	58,934
Chain	180	\$4.96	\$1.61	84,152

The use of a *t*-test indicates that the difference in the unweighted means is statistically significant (at the 5% level of significance). This means that there is evidence in the *sample* data to support the contention that there is a chain versus independent dispensing cost differential for the population of *all* chain and independent pharmacies.

Also noted in Table 3.6 is the average prescription volume for independent and chain pharmacies. It is noteworthy that the average volume of chain pharmacies in the sample is over 40% greater than the average volume observed for independent pharmacies. Since prescription volume, as noted previously, has a significant impact on the dispensing cost, the finding of statistical significant for chain versus independent pharmacies does not imply that chain pharmacies have lower costs simply because they are chains, but rather presents the possibility that the cost differential is volume related. Hypotheses such as these can be answered through the use of multivariate analysis, as discussed later in the report. A multivariate analysis using stepwise linear regression techniques was used to "control" for volume changes while determining the statistical significance of the chain versus independent affiliation of pharmacies. The results of this test revealed that affiliation status alone was not a statistically significant factor.

3) Urban Versus Rural Pharmacy Location

Myers and Stauffer used the zip code of each pharmacy to determine if it was located in a Metropolitan Statistical Area (MSA) as used by the federal Health Care Financing Administration (HCFA). Those in an MSA were considered to be urban, and those not in an MSA were considered rural. Pharmacies which were located outside of the commonwealth of Kentucky were excluded from this analysis.

Table 3.7 Urban Versus Rural Pharmacy Location

Location of Pharmacy	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost
Urban	157	\$5.14	\$1.73
Rural	286	\$5.37	\$2.34

The use of a *t*-test indicates that the difference in the unweighted means is not statistically significant (at the 5% level of significance).

As an additional analysis of pharmacy dispensing cost by location, pharmacies were grouped by Medicaid regions (see Table 3.8 and Chart 3.3).

Table 3.8 Dispensing Costs by Medicaid Region

Location of Pharmacy (Medicaid Region)	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost	Average Annual Total Prescription Volume
Region 1	30	\$6.30	\$3.72	59,856
Region 2	52	\$5.45	\$2.02	59,297
Region 3	93	\$4.72	\$1.16	83,044
Region 4	70	\$5.81	\$2.49	52,952
Region 5	68	\$5.09	\$2.20	72,493
Region 6	26	\$5.65	\$1.43	70,751
Region 7	32	\$5.64	\$2.52	64,203
Region 8	72	\$4.87	\$1.64	67,147

Some of the differences observed in the regional breakdown of dispensing cost are statistically significant (at the 5% level of significance). For example the two extremes, Region 1 (Paducah area) and Region 3 (Louisville area), have a statistically significant difference in dispensing costs. This observation of cost differential is, in part, attributable to total prescription volume differences between regions. Pharmacies with higher volumes, such as those observed in Region 3, are typically associated with lower dispensing costs per prescription. Other differences, such as between Region 3 (Louisville area) and Region 5 (Lexington area), are not statistically significant.

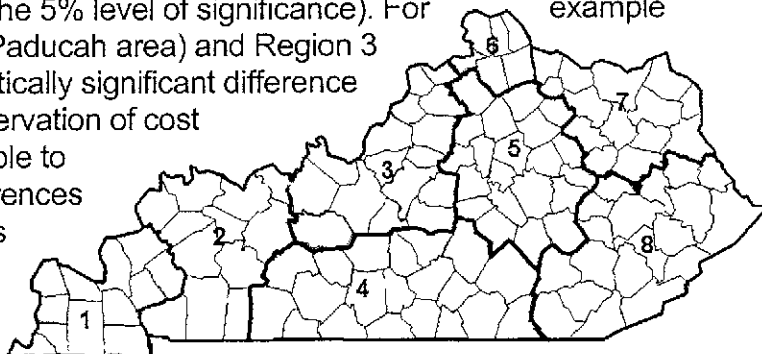


Chart 3.3 Kentucky Medicaid Regions

4) Type of Pharmacy Ownership

Pharmacies reported their ownership as being one of the following:

- Sole proprietor
- Partnership
- Corporation

Table 3.8 Pharmacy Ownership

Ownership Structure of Pharmacy	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost
Sole Proprietor	36	\$5.48	\$3.01
Partnership	7	\$7.26	\$5.04
Corporation	404	\$5.20	\$1.92

The majority, about 90%, of pharmacies had a corporate business structure. The differences in dispensing costs between corporate ownership structures and partnership ownership structures were statistically significant (at the 5% level of significance), however this observation is based on a very limited number of pharmacies organized as partnerships.

5) Total Medicaid Volume

Pharmacies were also classified based upon their Medicaid volume. Medicaid volume was supplied to Myers and Stauffer by the Department for Medicaid Services.

Table 3.10 Pharmacy Annual Medicaid Prescription Volume

Annual Medicaid Prescription Volume of Pharmacy	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost
0 to 1,999	107	\$5.59	\$3.02
2,000 to 10,000	172	\$5.43	\$1.99
10,000 and Higher	174	\$4.96	\$1.50

For the classifications shown, some differences in the mean dispensing cost were found to be statistically significant (at the 5% level of significance). It should be noted, however, that there is a correlation between Medicaid volume and total prescription volume. The relationship noted with regard to Medicaid volume, is a function of total prescription volume rather than Medicaid volume alone.

6) Medicaid Volume as a Percent of Total Volume

A better measure of the effect of a provider's Medicaid volume was to use Medicaid volume as a percent of total volume. To facilitate this analysis, pharmacies were arrayed into meaningful classifications of Medicaid utilization.

Table 3.11 Pharmacy Medicaid Utilization Ratio

Medicaid Prescription Volume as a Percent of Total Volume	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost	Average Annual Total Prescription Volume
0.0% to 1.9%	37	\$4.89	\$1.94	92,317
2.0% to 24.9%	203	\$5.02	\$1.86	75,943
25.0% and Higher	213	\$5.61	\$2.36	58,235

The differences in the sample means shown in Table 3.11 appear to be statistically significant for the high versus the medium group (at the 5% level of significance). However, as shown in the far right column, there is substantial variation in the total prescription volume between these three groups. This variation in volume suggests the possibility that total prescription volume is the actual reason for the cost differences. Hypotheses such as these can be answered through the use of multivariate analysis, as discussed later in the report. A multivariate analysis using stepwise linear regression techniques was used to "control" for volume changes while determining the statistical significance of the percentage of Medicaid prescriptions filled by pharmacies. The results of this test revealed that the percentage of Medicaid prescriptions filled was **not** statistically significant.

7) Provision of Unit Dose Dispensing Services

Pharmacies were classified by whether or not they provided prescription drugs in unit dose packaging.

Table 3.12 Provision of Unit Dose Prescription Services

Type of Pharmacy	Number of Stores	Unweighted Mean Cost	Standard Deviation of Cost	Median Weighted by Total Volume	Median Weighted by Medicaid Volume
Provides Unit Dose Services	68	\$5.71	\$2.07	\$5.00	\$4.65
Does Not Provide Unit Dose Services	385	\$5.21	\$2.14	\$4.40	\$4.40

The differences in the unweighted sample means observed here were **not** statistically significant¹¹.

¹¹ A multivariate analysis using stepwise linear regression techniques was used to "control" for volume changes while determining the statistical significance of the provision of unit dose services. The results of this test revealed that the provision of unit dose services added about 1% to the predictive power of the linear regression.

Multivariate Analysis

The analyses described above tested for significant differences in cost by analyzing one pharmacy attribute at a time. A more sophisticated method to analyze the impact of pharmacy characteristics upon dispensing cost is to use a multivariate regression analysis. In such an analysis, it is possible to control for factors known to affect dispensing cost, such as total prescription volume, and determine if other factors have a significant impact on dispensing cost. It is possible for an attribute to be not statistically significant in a *t*-test, but still be shown to have some effect on dispensing cost in a multivariate analysis (or vice versa).

Several analyses were conducted to identify potential correlation between pharmacy dispensing cost and certain pharmacy traits. These analyses used a multivariate stepwise linear regression technique. Using this approach, it is possible to control for factors known to affect dispensing cost, and at the same time test for the significance of any effect on dispensing cost caused by other traits. This approach allows for a more robust analysis of the potential influence of pharmacy characteristics on dispensing cost than can be achieved by *t*-tests alone. The traits that were used in the analysis included:

- Prescription sales volume
- Prescription sales ratio
- Type of location
- Unit dose delivery systems
- Delivery service
- Level and percent of Medicaid volume
- Total prescription volume
- Type of ownership
- Pharmacy building ownership
- Geographic location
- Provision of I.V. services
- Hours open
- Length of operation at location
- Percent of prescriptions dispensed paid by third party payers
- Type of affiliation
- Number and percent of Medicaid prescriptions which required a prior authorization

The attributes which proved to be the most significant were:

- Total prescription volume
- Provision of I.V. services
- Provision of delivery service

The relationship between total prescription volume and dispensing cost was especially pronounced. A linear model to predict total prescription dispensing costs based on prescription volume alone was able to explain over 80% of the variation in dispensing costs. Linear regression methods indicate that the regression equation which best describes the relationship of total prescription volume and total dispensing cost is:

$$\text{Total Costs (inflated)} = \$63,254 + \$3.76 \times (\text{Total Prescription Volume})^{12}$$

Chart 3.4 Relationship Between Total Costs and Total Prescription Volume

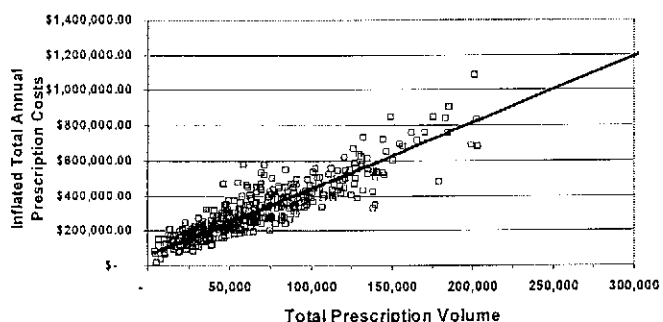
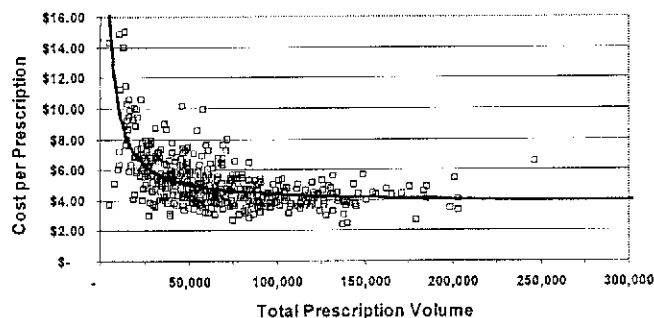


Chart 3.5 Relationship Between Cost per Prescription and Total Prescription Volume



This result implies that there are fixed costs of \$63,254 and variable costs of \$3.76 per prescription associated with the "typical" pharmacy. The average total prescription volume for pharmacies was approximately 69,000. For such a pharmacy, total prescription costs predicted by the equation are \$322,694, or \$4.67 per prescription. Clearly, for pharmacies with a high total prescription volume, fixed costs per prescription decrease. Conversely, low volume pharmacies have greater fixed costs per prescription (see Charts 3.4 and 3.5).

No other attribute contributed more than 2% to the predictive power of the linear regression techniques after controlling for the variation of total prescription volume.

¹² Excludes pharmacies which dispense a significant volume of I.V. prescriptions. The regression equation shown above was produced using an iterative regression technique which excluded some statistical outliers which would have had the effect of distorting the regression equation.

Myers and Stauffer used statistical regression techniques to analyze the impact on dispensing cost, if any, of the prior authorization program utilized by the Medicaid program. The Department for Medicaid services provided Myers and Stauffer with a report indicating the number of Medicaid prescriptions dispensed which required a prior authorization during state fiscal year 2000. This number was divided by the total number of Medicaid prescriptions dispensed (also provided by the Department) to determine the ratio of Medicaid prescriptions which required a prior authorization. There is clearly a certain amount of labor and other cost associated with time spent by pharmacy staff on prior authorization procedures for Medicaid and other third party prescription programs. Our analysis, however, failed to find any significant relationship of dispensing costs to the number of prior authorizations required by the Medicaid program.

Components of Cost

The dispensing costs of the surveyed pharmacies were broken down into the various components of overhead and labor related costs. More information on this subject is included in Appendix B.

Summary

To summarize, the significant findings from the dispensing cost survey are as follows:

- **One-quarter of all Medicaid prescriptions were filled by pharmacies with an average dispensing cost of \$3.82¹³ or less.** By definition, pharmacies in the first quartile are more efficiently operated than those providers with higher costs. The first quartile includes a mix of urban and rural providers and chain and non-chain stores. Although high volume was generally correlated with lower costs and efficiency there were several pharmacies with less than the median volume (approximately 60,000 total prescriptions/year) represented in this first quartile. No external characteristics were identified that would prevent the majority of pharmacies in the Commonwealth from operating with a level of efficiency that would result in dispensing costs of \$3.82 or less per prescription.
- **The statewide median cost of dispensing, weighted by Medicaid volume, was \$4.51.** This figure of \$4.51 is \$0.04 less than findings from the 1999 study. Although some inflationary pressures have operated on

¹³ All dispensing costs have been inflated to the common fiscal year midpoint of June 30, 2000. Dispensing costs reported here do not include the Commonwealth's prescription tax, which was levied against the combined payment for the pharmacy professional fee and the cost of goods. Pharmacies which dispense a significant amount of I.V. prescriptions are excluded from this measurement.

pharmacies in the interim period between surveys, mean pharmacy total prescription volume has also increased from approximately 64,000 prescriptions in the 1999 study to approximately 73,000 prescriptions in this study. This increase in volume and accompanying increases in efficiency have served to offset cost increases due to inflation.

- No association was found between dispensing cost and unit-dose packaging or other measures of long term care dispensing activity; i.e., ambulatory and long term care pharmacies had similar average costs of dispensing.
- There was an association found between dispensing cost and the chain or non-chain affiliation status of the pharmacy. This phenomenon, however, appears to be related to the higher total prescription volume of chain stores and the increased efficiency associated with higher volume.
- No association was found between dispensing cost and the urban or rural location of a pharmacy.
- No systematically higher costs associated with pharmacies that have a higher percentage of Medicaid prescription volume were found.

Table 3.12 Inflation Adjusted Median Dispensing Cost

Period	Midpoint	Inflation Adjusted ^A Median ^B Dispensing Cost
Calendar Year 2000	6/30/2000	\$4.51
State Fiscal Year 2001	12/31/2000	\$4.57
Calendar Year 2001	6/30/2001	\$4.63
State Fiscal Year 2002	12/31/2001	\$4.67

^A Inflation factors are based on the CPI, All Urban. Future inflation projections are based on the CPI, All Urban, as published in *Health Care Cost Review, Second Quarter 2000* by Standard & Poor's DRI.

^B Weighted by Medicaid prescription volume.

Chapter

4

Prescription Charges Survey

In addition to the actual cost to dispense prescriptions to Medicaid recipients, another factor of interest to the Department was the issue of reimbursements paid by other payers of pharmaceuticals. To determine this, a survey of prescription charges was obtained from Kentucky pharmacies. This survey enabled an analysis of payments received from cash customers and third party payers other than Medicaid.

Methodology

A prescription charges survey was included as an attachment to the dispensing cost survey mailed to each pharmacy (see Exhibit 1). The survey instrument provided for a listing of 50 new prescriptions from one of two survey dates – May 20, 1999, or November 20, 1999. Each pharmacy was asked to list the first 50 new prescriptions filled on or immediately following one of these dates, excluding compounded prescriptions. The survey dates were randomly assigned to each pharmacy so that approximately one-half of the sampled pharmacies was assigned each date. The information requested for each prescription was the prescription number, the name and the strength of the drug, the National Drug Code (NDC) number, the quantity filled, the actual selling price of the prescription, and a code indicating whether the prescription was paid for by a cash-paying customer or a third party reimbursement plan.

The usual and customary survey was utilized for several purposes:

- First, it was used to provide a test of the pharmacy's reported prescription sales and/or number of prescriptions dispensed.
- Second, it was used to determine an estimate of the average prescription reimbursement for each pharmacy. Because prescriptions were marked as being a third party or cash customer, the survey served as a means to estimate the average reimbursement received by pharmacies from these types of customers.

Not all pharmacies filed a usable prescription charge survey; however, a sufficient number of surveys, 302, were available. After data entry and editing, we analyzed the selling price data from approximately 15,000 prescriptions.

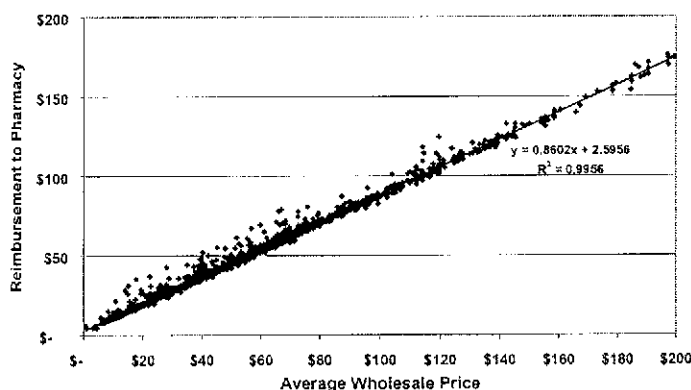
Analysis and Findings

Reimbursement Paid by Other Payers

The data in the prescription charges survey made it possible to estimate the reimbursement paid by other third party payers and cash paying customers. In order to derive the typical reimbursement from other payers, we used a bivariate statistical regression technique. This technique allowed us to use the reimbursement reported on the survey, and the known average wholesale price of the drug to estimate both the ingredient and dispensing reimbursement components of other third party payers and cash paying customers.

An example of this technique is shown in Chart 4.1. In this example, commercial third party prescriptions for brand name products were priced at the applicable AWP price and subjected to analytical procedures to identify statistical outliers. The ensuing data was plotted using

Chart 4.1 Prescription Charges Survey
Commercial Third Party Rx's (Brand Name Products Only)



the AWP price and the amount of reimbursement to the pharmacy. A linear regression was performed on the data resulting in the equation of a line that best fits the data points. The *slope* of the regression line, 0.860, provides an estimate for the average ingredient reimbursement for brand name drugs: AWP minus 14.0%. The *y-intercept* of the regression line, \$2.60, serves as an estimate for the average dispensing fee. As the graph indicates, there is some variability in the actual reimbursement both above and below the regression line. This is measured by the equation's *standard error of the estimate*: \$2.36. Results of this example and other subsets of the charge survey data are summarized in Table 4.1.

Table 4.1 Regression Analysis of Reimbursement by Pharmaceutical Payers for Brand Name Drug Products

Payer Type	Number of Prescriptions in the Sample	Estimated Ingredient Reimb. % of AWP	Estimated Dispensing Fee	Standard Error of the Estimate
Cash	932	93.6%	\$4.98	\$5.28
Commercial Insurance (i.e. PBM)	2,631	86.0%	\$2.60	\$2.36
Medicaid Fee For Service	647	90.3%	\$4.65	\$2.11
Medicaid Managed Care	513	89.0%	\$4.45	\$2.42
Worker's Comp.	33	91.8%	\$4.45	\$6.25
CHAMPUS	14	85.3%	\$2.93	\$3.56

The calculation of Medicaid's fee (actual rates are \$4.75 dispensing fee and AWP minus 10% for ingredients) for service rates provides confirmation that the bivariate methodology produces meaningful results. Possible explanations for the variation in the estimation of Medicaid fee-for-service rates include the use of a \$5.75 dispensing fee for prescriptions to patients in a long-term care setting, the application of the lesser of usual and customary charge, and reporting errors by survey participants.

The survey shows that commercial third party payers are reimbursing pharmacies at substantially lower dispensing and ingredient rates than are currently paid by Kentucky Medicaid. The findings in relation to commercial third parties are consistent with a survey performed by Myers and Stauffer for the Department in 1997¹⁴. In this survey of over 300 insurance plans, the median dispensing fee was found to be \$2.50 and the median ingredient reimbursement for brand name drugs was AWP minus 12%.

A similar analysis on multi-source products (see Table 4.2) revealed higher variation of reimbursement, particularly for products with an FUL price. Accordingly, estimates of the average reimbursement for these types of products are less conclusive. This can be attributed to the greater variation of actual acquisition cost by item versus the AWP for multi-source products. The data

¹⁴ See *A Study of the Cost of Economically and Efficiently Dispensed Prescription Medications*, January 1998, prepared by Myers and Stauffer LC for the Department for Medicaid Services.

suggests that more varied reimbursement systems (e.g. alternative MAC¹⁵ pricing schedules proprietary to a PBM) are used by third party payers for these products with an FUL price.

Table 4.2 Regression Analysis of Reimbursement by Pharmaceutical Payers for Multi-Source Products

Class of Multi-Source Products	Payer Type	Number of Prescriptions in the Sample	Estimated Ingredient Reimb. % of AWP	Estimated Dispensing Fee	Standard Error of the Estimate
No FUL Price	Cash	776	92.7%	\$3.89	\$3.46
	Commercial Insurance	1,106	86.2%	\$2.47	\$2.35
	Medicaid FFS	448	89.3%	\$4.66	\$2.37
	Medicaid MCO	308	89.0%	\$3.98	\$1.93
	Worker's Comp.	21	92.9%	\$3.18	\$3.31
	CHAMPUS	8	80.7%	\$2.08	\$1.10
Has FUL Price	Cash	786	62.7%	\$5.53	\$2.23
	Commercial Insurance	809	71.4%	\$2.78	\$1.81
	Medicaid FFS	647	65.1%	\$4.00	\$1.61
	Medicaid MCO	513	60.8%	\$3.81	\$1.52
	Worker's Comp.	19	80.3%	\$4.00	\$2.52
	CHAMPUS	17	67.9%	\$3.15	\$1.19

Over-the-Counter (OTC) Products

The prescription charge data was also analyzed with respect to non-legend drug products. Only a limited number of OTC product data was supplied by pharmacies responding to the prescription charge survey. Of the OTC data that was available, the only group for which there was sufficient data to support the regression analytical technique was multi-source products without an FUL price. The analysis is summarized in Table 4.3.

¹⁵ "Maximum Allowable Cost"

Table 4.3 Regression Analysis of Reimbursement by Pharmaceutical Payers for Multi-Source OTC Products

Payer Type	Number of Prescriptions in the Sample	Estimated Ingredient Reimb. % of AWP	Estimated Dispensing Fee	Standard Error of the Estimate
Commercial Insurance (i.e. PBM)	61	88.4%	\$1.88	\$2.39
Medicaid Fee For Service	104	88.0%	\$5.34	\$2.65
Medicaid Managed Care	54	85.1%	\$4.78	\$1.56

Additional information regarding the reimbursement of OTC products was obtained from informal telephone interviews with staff of the Medicaid programs in states neighboring Kentucky. Table 4.4 summarizes information gathered from these interviews.

Table 4.4 OTC Reimbursement by other State Medicaid Programs

State	OTC Disp. Fee	OTC Ingred. Reimb.	Comments
Illinois	-	150% of AWP	There is no dispensing fee paid for OTC products.
Indiana	-	State MAC	Indiana has a limited OTC formulary. State MACs are set on OTC products based on the median or average AWP. Payment is lesser of the usual and customary charge or 150% of the MAC price. There is no dispensing fee paid on OTC prescriptions.
Missouri	\$4.09	AWP minus 10.43%	Same reimbursement formula as all other (legend) prescriptions. Record keeping and counseling requirements are the same as for all other prescriptions.
Ohio	\$3.70	WAC plus 11%	OTC reimbursement formula is the same as for legend drugs. In the case that a drug does not have a WAC price, an AWP minus 11.2% formula is used.
Tennessee	<i>100% Managed Care (TennCare)</i>		
Virginia	\$4.25	AWP minus 9%	Same reimbursement formula as legend prescriptions; limited to one dispensing fee per month.
West Virginia	\$3.90	AWP minus 12%	West Virginia started covering OTCs in 1998. Pharmacists are asked to submit the "sticker" price as the usual and customary charge (with no dispensing fee added). This rule has not been enforced by audits. Utilization of OTCs has been very low.

Conclusions

Based on the prescription charges survey, it appears that other third party payers are reimbursing for pharmaceuticals at rates less than those paid by Kentucky Medicaid. Additionally, third party payers (excluding Medicaid) are not allowing for any margin in their dispensing fees. In fact, dispensing fees paid by most third party payers are set at levels well below the dispensing cost of most pharmacies. Margins are still realized on most third party prescriptions, however, due to the level of ingredient reimbursement.

Appendix A. Development of the Dispensing Cost Survey Methodology

The methodology used for conducting the survey of pharmacy dispensing costs is presented in Chapter 3 of the report. The following tables provide background information regarding the development of the methodology and references to other surveys and publications which provide discussion regarding the calculation of pharmacy dispensing cost and related matters.

Table A.1 Academic References to Pharmacy Dispensing Cost Studies

Gagnon, Jean Paul, "Prescription Department Cost Analysis." Pharmacy Management 151 (Sept. – Oct., 1979): 235-40.
Carroll, N.V. "Costs of Dispensing Private-Pay and Third-Party Prescriptions in Independent Pharmacies." Journal of Research in Pharmaceutical Economics 1991;3(2):3-16
Carroll, N.V. "Forecasting the Impact of Participation in Third-Party Prescription Programs on Pharmacy Profits." Journal of Research in Pharmaceutical Economics 1991;3(3):3-23
Huey, Cheryl; Jackson, Richard; Pirl, Margaret, "An Analysis of the Impact of Third-Party Prescription Programs on Community Pharmacy." Journal of Research in Pharmaceutical Economics 1995;6(2):57-72
Schommer, Jon et. al., "1999 Minnesota Pharmacist Compensation and Labor Survey: Part 1, Pharmacists' Hourly Wages and Benefits." University of Minnesota College of Pharmacy, 1999.

Table A.2 Cost Allocation Methodologies Commonly Used in Health Care Settings

Type of Cost	Statistical Basis Used for Pharmacy Survey	Statistical Basis Used in Medicare Cost Reporting
Capital Related (e.g. depreciation, rent, repairs, real estate taxes)	Square Footage	Square Footage
Utilities	Square Footage	Square Footage
Interest, Insurance, telephone, supplies, accounting and legal fees	Revenue	Revenue, Accumulated Costs
Labor	Hours Worked	Hours Worked

Table A.3 Pharmacy Dispensing Cost Surveys Using Similar Cost Allocation Methodologies

Report Date	Title of Published Report	Organization / Individuals Performing Survey	Survey Sponsor
May 1990	An Assessment of Chain Pharmacies' Cost of Dispensing a Third Party Prescription	Pharmaceutical Economics Research Center; School of Pharmacy and Pharmaceutical Sciences; Purdue University; Kenneth W. Schafermeyer; Stephen W. Schondelmeyer; Joseph Thomas III	National Association of Chain Drug Stores
March 1991	Reimbursement for Pharmaceutical Services in Missouri	University of Missouri – Kansas City School of Pharmacy - Ashok K. Gumbir, Ph. D.; Johnny L. Anderson, Ph. D. (candidate)	Missouri Department of Social Services – Division of Medical Care
June 1994	Pharmacy Reimbursement Rates: Their Adequacy and Impact on Medicaid Beneficiaries	E. Kathleen Adams, Ph. D.; Norma Gavin; SysteMetrics; David H. Kreling, Ph. D.	Health Care Finance Administration

(Additionally, Myers and Stauffer has performed approximately 40 studies of pharmacy dispensing cost in 17 states.)

Appendix B. Components of Pharmacy Dispensing Cost

Information on prescription dispensing cost was collected on the cost survey in individual expense categories. We analyzed the various components of the average dispensing cost for the pharmacies in the sample. Table B.1 and Charts B.1 and B.2 display the various cost components of the mean costs for pharmacies in the sample. Mean costs shown are weighted by Medicaid prescription volume.

Expenses were classified as follows:

- Owner professional labor – owner's labor costs were subject to constraints in recognition of its special circumstances as previously noted.
- Employee professional labor consists of employee pharmacists.
- Other labor includes the cost of delivery persons, interns, technicians, clerks and any other employee with time spent performing the prescription function of the pharmacy.
- Building and equipment expense includes depreciation, rent, ownership costs, repairs, utilities and any other expenses related to building and equipment.
- Prescription-specific expense includes pharmacist-related dues and subscriptions, prescription containers and labels, prescription-specific computer expenses, continuing education, and any other expenses that are unique to the prescription dispensing business.
- Other business expenses consist of all other expenses that were allocated to the prescription dispensing function of the pharmacy including interest, insurance, telephone, and legal and professional fees.

Table B.1 Components of Prescription Dispensing Cost

Type of Expense	Chain Pharmacies	Independent Pharmacies
Owner Professional Labor	\$0.00	\$1.36
Employee Professional Labor	\$2.76	\$0.94
Other Labor	\$0.87	\$1.15
Building and Equipment	\$0.50	\$0.38
Prescription Specific Expenses	\$0.29	\$0.47
Other Business Expenses	\$0.41	\$0.60
Total	\$4.83	\$4.90

Chart B.1 Components of Cost per Prescription for Chain Pharmacies

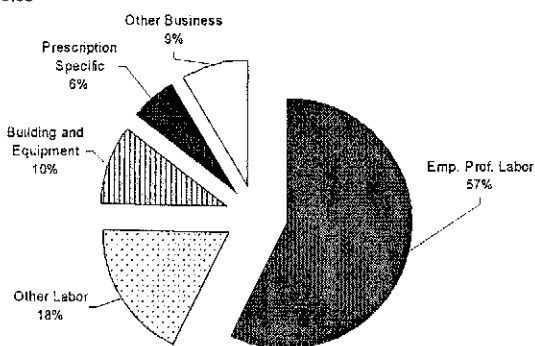
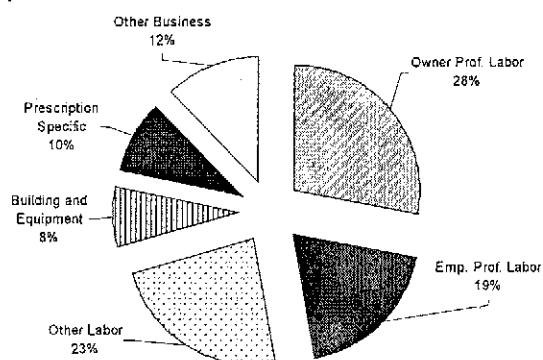


Chart B.2 Components of Cost per Prescription for Independent Pharmacies



Clearly, the single largest component of cost is labor with both independents and chain pharmacies spending between 70% and 80% of their overall prescription costs on labor related costs. Chain pharmacies tend to have a larger portion of their labor costs devoted to professional labor compared to independents which tended to have higher "other" labor (which is partially explained by labor costs for delivery services). Otherwise, the distributions of costs between chain and independent pharmacies were similar.

Appendix C. Summary of Pharmacy Attributes

A number of pharmacy attributes were collected on the cost survey. Many of these attributes were used during the review of the cost survey, and also allowed for an analysis of the variations in cost. In the following table, many of these attributes are summarized for informational purposes without any discussion as to their relationship to dispensing cost.

Table C.1 Summary of Pharmacy Attributes

Attribute	Number of Pharmacies Responding Affirmatively	Average for Pharmacies Responding Affirmatively
Provision of Delivery Services	228	22% of prescriptions
Provision of Delivery Services for Medicaid Recipients	212	22% of Medicaid prescriptions
Provision of Mail Order Services	116	2% (No pharmacies with a significant mail order volume responded to the survey.)
Provision of Unit Dose Services	75	21% of prescriptions (76% of unit dose prescriptions were prepared in the pharmacy; 24% were purchased already prepared from a manufacturer)
Provision of Prescriptions to Nursing Homes	90	20% of prescriptions
Provision of I.V. Services	25	26% of prescription sales (13 pharmacies had IV sales greater than 5% of prescription sales - for these six pharmacies, the average was 49%)
Provision of 24 Hour Emergency Services	209	N/A
Hours Open Per Week	466	63 Hours
Years Open at Current Location	461	19 Years
Percent of Prescriptions to Third Party Payers	281	73%

Table of Exhibits

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Agency Use Only

Kentucky Medicaid Pharmacy Cost Report

Kentucky Medicaid
Provider NumberSurvey Forms by Myers and Stauffer LC
Certified Public Accountants
4123 SW Gage Center Drive, Suite 200
Topeka, Kansas 66604

Under Contract with the Kentucky Department for Medicaid Services

ROUND ALL AMOUNTS TO NEAREST DOLLAR OR WHOLE NUMBER.

Please complete and return by **OCTOBER 2, 2000**

Instructions are enclosed. Please call toll-free (800) 255-2309 if you are having difficulty completing this report.

Name of Pharmacy _____ Telephone No. () _____

Street Address _____ Fax No. () _____

City _____ County _____ State _____ Zip Code _____

DECLARATION BY OWNER AND PREPARER

I declare that I have examined this cost report including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, complete, and in agreement with the related Books or Federal Income Tax Return, except as explained in the Reconciliation. Declaration of preparer (other than owner) is based on all information of which preparer has any knowledge.

Your Signature	Print/Type Name	Title/Position	Date
----------------	-----------------	----------------	------

Preparer's Signature (other than owner)	Title/Position	Date
---	----------------	------

Preparer's Street Address	City and State	Zip	Phone Number
---------------------------	----------------	-----	--------------

SECTION IA--PHARMACY ATTRIBUTES**(a) List the total number of all prescriptions dispensed during the fiscal year as follows:**

New _____ **Refill** _____ **Total** _____
(See Instructions)

(b) Type of Ownership:
 1. ☐ Individual 2. ☐ Corporation 3. ☐ Partnership 4. ☐ Not-for-Profit 5. ☐ Institutional 6. ☐ Other (specify) _____

(c) Location:
 1. ☐ Medical Office Building 2. ☐ Shopping Center 3. ☐ Separate or downtown 4. ☐ Other (specify) _____

(d) Ownership Affiliation:
 1. ☐ Independent (1-4 Units) 2. ☐ Chain Unit (5 - 14 Units) 3. ☐ Chain Unit (15 or More Units)

(e) Do you dispense in anything other than traditional packaging to long-term care facilities? If yes, indicate how:
 1. ☐ Unit dose 2. ☐ Modified unit dose (bingo cards/blister packs)
 3. ☐ Both 4. ☐ No unit dose

What is the approximate percent of all prescriptions dispensed in unit dose packaging? _____

(f) If you checked box 1, 2, or 3 of (e), what percent of the unit dose prescription packaging is:

1. Purchased from manufacturers _____
 2. Prepared in the pharmacy _____

**Survey Forms by Myers and Stauffer LC
Certified Public Accountants**

- (g) Do you or does a related party own your building? Yes ☐ No ☐
If yes, please report the depreciated value of your building (the portion used by the pharmacy if other portions are rented). _____
- (h) What percent of total prescriptions filled are delivered? _____
What percent of Medicaid prescriptions filled are delivered? _____
- (i) Are you presently providing home IV or infusion therapies and/or enteral nutrition therapy? ☐ Yes ☐ No
If yes, what is the dollar amount of your sales for those Rx's? _____
- (j) How many hours per week is your pharmacy open? _____
- (k) How many years has a pharmacy operated at this location? _____
- (l) What is the approximate percent of your prescriptions dispensed to nursing home residents? _____
- (m) What is the amount of interest expense included on line 14 (of page 3) that is for prescription drug purchases and/or prescription drug inventory?
If none, please record zero. _____
What was the value of the prescription drug inventory at the end of the fiscal year? _____
- (n) What was the balance of any notes payable at the end of the fiscal year? _____
What was the balance of any mortgage payable at the end of the fiscal year? _____
- (o) Do you provide 24-hour emergency services for pharmaceuticals? ☐ Yes ☐ No
- (p) Does your pharmacy dispense prescriptions by mail? ☐ Yes ☐ No
If yes, please complete the following, otherwise skip to Section IB.
What is the approximate percentage of the total number of prescriptions that are dispensed by mail? _____
Please indicate below the expenses incurred to mail prescription drugs along with the line number from page 3 of the cost report on which the expense is being reported:

	Amount	Line Number
Postage		
Packaging		
Other (specify) _____		

Section IB -- OTHER INFORMATION

Please list any additional information you feel contributes significantly to your cost of filling a prescription. Also, if you have a significant amount of non-retail sales of drugs at cost, please note the amount and if it is included in line (1), column (1) on page 3.

Exhibit 1Page 3
(8/2000)**Survey Forms by Myers and Stauffer LC
Certified Public Accountants**

ROUND ALL AMOUNTS TO NEAREST DOLLAR OR WHOLE NUMBER.

SECTION IIA -- SALES AND FLOOR SPACE

	Prescription Drugs Only	Total Store Including Prescription Drugs	Line No.
Sales (Excluding Sales Tax)	_____	_____	(1)
Cost of Goods Sold	_____	_____	(2)
Floor Space (Retail area only). Please measure. Do not estimate.	_____ Sq. Ft.	_____ Sq. Ft.	(3)

SECTION IIB -- OVERHEAD EXPENSES

Complete this section by referring to the line numbers in the left columns that correspond to federal income tax return lines or use internal financial statements.

The following information is from tax/fiscal year ending..... / / (4)

1998 and 1999
Tax Form Number

1040C 10	1065 10	1120 11	1120S 11		Total Expense	Agency Use Only	Line No.
13	16a	20	14a	Depreciation (This fiscal year only -- not accumulated).....	_____	_____	(5)
23	14	17	12	Taxes (a) Personal Property Taxes Paid.....	_____	_____	(6)
				(b) Real Estate Taxes.....	_____	_____	(7)
				(c) Payroll Taxes.....	_____	_____	(7a)
				(d) Sales Taxes.....	_____	_____	(7b)
				(e) Rx Tax.....	_____	_____	(7c)
				(f) State Income Tax (Corporations Only).....	_____	_____	(8)
				(g) Any other taxes, specify each type and amount.....	_____	_____	(9)
20b	13	16	11	Rent (a) Building Rent (See Instructions)	_____	_____	(10)
20a	13	16	11	(b) Equipment and Other.....	_____	_____	(11)
21	11	14	9	Repairs.....	_____	_____	(12)
15	20	26	19	Insurance (a) Workers Compensation and Employee Medical.....	_____	_____	(13)
15	20	26		(b) Other.....	_____	_____	(14)
16a&b	15	18	13	Interest.....	_____	_____	(15)
17	20	26	19	Legal and Professional Fees.....	_____	_____	(16)
27	20	26	19	Dues and Publications	_____	_____	(17)
9	12	15	10	Bad Debts (This fiscal year only -- not accumulated).....	_____	_____	(18)
		19		Charitable Contributions (Corporations Only).....	_____	_____	(19)
25	20	26	19	Telephone.....	_____	_____	(20)
25	20	26	19	Heat, Water, Lights, and other Utilities (Sewer & Trash).....	_____	_____	(21)
18&22	20	26	19	Operating and Office Supplies (Exclude Rx containers and labels).....	_____	_____	(22)
8	20	23	16	Advertising.....	_____	_____	(23)
27	20	26	19	Rx Computer Expenses (See Instructions).....	_____	_____	(24)
10	20	26	19	Rx Delivery Expenses (See Instructions).....	_____	_____	(25)
27	20	26	19	Rx Containers and Labels (See Instructions).....	_____	_____	(26)
Var	18+	24+	17+	Other Expenses not included elsewhere (attach schedule if necessary)	_____	_____	(27)
	19+	25+	18+	Specify each item and corresponding amount:	_____	_____	(28)
	20	26	19		_____	_____	(29)
				Total Overhead Expenses [Add Line (5) through Line (29)].....	_____	_____	(30)

Exhibit 1**Survey Forms by Myers and Stauffer LC
Certified Public Accountants**

SECTION IIC ---PERSONNEL COSTS---List each person separately (except Line 44). Attach schedule if necessary.

	Check If RPh	Estimate Percent of Prescriptions Dispensed By Each RPh	Annual Salaries and/or Drawings	AGENCY USE ONLY	No. Weeks Employed This Fiscal Year	Average Weekly Hours Total Store Including Rx Dept.	Rx Dept. Related Duties Only	Line No.
Owners, Individual Proprietors, Partners, & Stockholders.....	_____	_____	_____	_____	_____	_____	_____	(31)
	_____	_____	_____	_____	_____	_____	_____	(32)
	_____	_____	_____	_____	_____	_____	_____	(33)
Employee and Relief Pharmacists.....	_____	_____	_____	_____	_____	_____	_____	(34)
	_____	_____	_____	_____	_____	_____	_____	(35)
	_____	_____	_____	_____	_____	_____	_____	(36)
	_____	_____	_____	_____	_____	_____	_____	(37)
Interns.....	_____	_____	_____	_____	_____	_____	_____	(38)
Total:		100%	_____	_____	_____	_____	_____	(38a)
Rx Delivery	XXX	XXXXXXXXXX	_____	_____	_____	_____	_____	(39)
Other Employee with Time.....	XXX	XXXXXXXXXX	_____	_____	_____	_____	_____	(40)
In Rx Dept. (Including Rx Technicians)	XXX	XXXXXXXXXX	_____	_____	_____	_____	_____	(41)
	XXX	XXXXXXXXXX	_____	_____	_____	_____	_____	(42)
	XXX	XXXXXXXXXX	_____	_____	_____	_____	_____	(43)
ALL NON-Rx EMPLOYEES.....	XXX	XXXXXXXXXX	_____	_____	XXXXXX	XXXXXX	XXXXXX	(44)
TOTALS.....			_____	_____				(45)

SECTION IID ---RECONCILIATION WITH TAX RETURN (or Books if multistate operation)

1998, 1999 TAX FORM NUMBER					Column 1 Cost Report Amounts	Column 2 Books or Tax Return Amounts	
1040C	1065	1120	1120S				
28	21	27	20	Total Expenses per Tax Return/Books (Circle one used).....			(46)
				Enter Amount from Line 30).....	_____		(47)
				Enter Amount from Line 45).....	_____		(48)
				Total Expenses per this Cost Report [Add Lines (47) and (48)].....	_____		(49)
				Specify Items with Amounts That Are on Cost Report But Not on Tax Return (or books) _____		_____	(50)
				_____		_____	(51)
				Specify Items with Amounts That Are on Tax Return (or Books) But Not on This Cost Report _____		_____	(52)
				_____		_____	(53)
				Total [Add Lines (46) - (53)] Column Totals Should be equal.....	=====	=====	(54)

Exhibit 1

SECTION III---KENTUCKY PHARMACY PRESCRIPTION CHARGES SURVEY

Survey Date

5/20/1999

Kentucky Medicaid
Provider Number

Survey Forms by Myers and Stauffer LC, Certified Public Accountants

New Prescriptions Only -- Exclude Compounded Rx's / Include Over-the Counter Rx's if Reimbursed by Third Party

Please review the instructions prior to completing this form.

Line Number	Rx Number	Payer Code See Codes Below	Drug Name, Strength	NDC Number			Pkg	Quantity Filled Use Medicaid Units	Actual Selling Price (amount received)
				Mfr	Drug				
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									

Payer Codes: Cash -- C; Medicaid (Fee for Service) -- MF; Medicaid Managed Care -- MM; CHAMPUS -- CH; Workers Compensation -- W; Private Insurance -- P; Other -- O

Exhibit 1

SECTION III---KENTUCKY PHARMACY PRESCRIPTION CHARGES SURVEY

Survey Date

5/20/1999

Kentucky Medicaid
Provider Number

Survey Forms by Myers and Stauffer LC, Certified Public Accountants

New Prescriptions Only -- Exclude Compounded Rx's / Include Over-the Counter Rx's if Reimbursed by Third Party

Please review the instructions prior to completing this form.

Line Number	Rx Number	Payer Code See Codes Below	Drug Name, Strength	Mfr	NDC Number Drug	Pkg	Quantity Filled Use Medicaid Units	Actual Selling Price (amount received)
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48								
49								
50								
							Total	

Payer Codes: Cash - C; Medicaid (Fee for Service) - MF; Medicaid Managed Care - MM; CHAMPUS - CH; Workers Compensation - W; Private Insurance - P; Other - O

Kentucky Medicaid Pharmacy Cost Report

Exhibit 2

Page 1
(8/2000)

Survey Forms by Myers and Stauffer LC
Certified Public Accountants
4123 SW Gage Center Drive, Suite 200
Topeka, Kansas 66604
800-255-2309

Under Contract with the Kentucky Department for Medicaid Services

PURPOSE: The purpose of this survey is to determine the cost of dispensing prescriptions in the Commonwealth of Kentucky.

WHO MUST FILE

Except for the following, all pharmacies that are Kentucky Medicaid providers should file this cost report:

- ☐ New pharmacies that were in business less than six months during the reporting period
- ☐ Pharmacies with a change of ownership that resulted in less than six months in business during the reporting period

If your pharmacy meets one of the exceptions listed above, please check the box next to the explanation describing your business, write your pharmacy name and provider number, sign your name, and return only this page in the enclosed envelope.

KY Medicaid Provider Number _____ Provider Name _____

Signature of Owner _____ Telephone Number _____

GENERAL INSTRUCTIONS

If any assistance is needed in completing this survey, please call toll-free (800) 255-2309. Please complete these forms using your most recent fiscal year ending **on or before December 31, 1999** and return them by **OCTOBER 2, 2000**. Most retail pharmacies can complete these survey forms by using their most recent federal income tax return. Most expense items requested can be transferred directly from a line on the tax return to a line on the cost report. Line reference numbers of four tax forms are listed on the left side of the cost report. Simply locate the column for your tax form.

If you prefer, send us a copy of your income tax return (Form 1065, 1120, 1120S, or Schedule C of Form 1040 including supporting schedules) or your financial statements and we will complete the overhead expenses, Section IIB, Page 3 and Section IID, Page 4, for you. You will still need to fill in the remaining sections of the cost report. If you send a copy of your tax return, identify any expenses that are 100% Rx-Department expenses such as continuing education, and identify any expenses that are totally non-Rx Department expenses such as fountain expenses, etc. By sending any of these tax forms, you will not be providing us with any information other than that requested if you completed the survey yourself. We will destroy the tax forms after entering the information on the survey.

Please remember to round all amounts to the nearest dollar or whole number.

Retail Chain Pharmacies

Expenses incurred by chain pharmacies such as administration, central operating, or other general expenses should be allocated to individual units. **Warehousing expenses must be either separately identified or included in cost of goods sold.** Methods of allocation must be reasonable and conform to generally accepted accounting principles. Please explain any allocation procedures used. Allocated costs should be clearly identified and entered on lines 27, 28 and/or 29.

Exhibit 2Page 2
(8/2000)**SECTION IA --- PHARMACY ATTRIBUTES**

The information gathered from your answers to these questions will be analyzed to determine its relationship to your cost of dispensing a prescription. You may have to provide estimates for some answers; please estimate as carefully and accurately as possible.

- **Line (a) --- "Prescriptions Dispensed."** Please report the total number of all prescriptions filled **during the fiscal year** of the costs reported on pages 3 and 4 of this cost report. This information may be kept on a daily or monthly log or on your computer. If you keep no record of the number of prescriptions you fill, the amount may be estimated using the following method. (1) Often your Rx numbering system may be used to estimate new Rxs. Subtract the Rx number of the first prescription filled in your fiscal year from the Rx number of the last prescription filled. (2) Take a sample over several days showing the number of refill prescriptions and new prescriptions. Divide the number of refills by the number of new prescriptions in your sample. Multiply that amount times the number of new prescriptions determined in (1) above to estimate the number of refill prescriptions for your fiscal year.

SECTION IIA --- SALES AND FLOOR SPACE

- **Line (1) -- Please list total store sales excluding sales tax.** Total store sales and cost of goods sold are shown on the federal income tax return. If there is no separate record of prescription drug sales, estimate it as accurately as possible. Sales of prescription drug items **should not include nonprescription OTC's, durable medical equipment, or other nonprescription items.** One method to estimate sales of prescription drug items is to use your sales tax return. Sales of prescription drugs should be reported on line 15 of the Kentucky Sales and Use Tax Return (Form 51A102). If Rx cost of goods sold is not readily available, leave that line blank.
- **Line (3) --** Since **floor space** will be used in allocating expenses, accuracy is important. When measuring the total store, include only the retail area and exclude any storage area, i.e., basement, attic, off-the-premises areas, or freight in-out areas. When measuring the Prescription Department, exclude patient waiting area and prescription-related office. These should be included in total store area. A factor is added to the Prescription Department area to account for both waiting and office space.

SECTION IIB --- OVERHEAD EXPENSES [TAX RETURN MAY BE SUBSTITUTED.]

Overhead costs reported on the cost report must be resulting from arms-length transactions between nonrelated parties. Related parties include, but are not limited to, those related by family, by business or financial association, and by common ownership or control. **The most common non-arms-length transaction involves rental of property between related parties. The only allowable expense of such transactions for cost determination purposes would be the actual costs of ownership (depreciation, taxes, interest, etc., for the store area only). The rental amount will be disallowed. Please show this as a reconciling item in Section IID.**

- **Line (6) & (7) ---** Include only personal property taxes or real estate taxes paid on property used in this pharmacy's business.
- **Line (7a)--** Include the employer's share of FICA and Medicare taxes, and state and federal unemployment taxes.
- **Line (7c)---**Include only state Prescription tax.
- **Line (10) ---** Include only rent that applies to the store. **Report only rental expense incurred by transactions between nonrelated parties. See the first paragraph of this section for expenses allowed in lieu of rent paid to a related party.**
- **Line (22)--** Include office and operating supplies. If prescription containers and labels are included in your supplies, please exclude them from this line and show them on line 26.

Exhibit 2Page 3
(8/2000)

- **Line (24) --- Rx Computer Expenses.** Include expenses for a computer that is used **only in the Rx Department**. These expenses should not be duplicated on any other line. If your computer is used by other departments of the pharmacy, do not enter anything on this line and enter computer expenses on line (29).
- **Line (25) --- Rx Delivery Expenses.** If you deliver **Rx items only**, include expenses paid for your delivery vehicle here, including expenses paid to a delivery service for delivery of Rx items. **These expenses should not be duplicated on any other line.** If your delivery vehicle is used by other departments of the pharmacy or for miscellaneous purposes, do not enter anything on this line and enter delivery expenses on line (29).
- **Line (26) --- Rx Containers and Labels.** The cost of prescription containers and labels should be included here if separately identified as "other deductions" on your federal income tax return. If this expense is included in cost of goods sold on your federal income tax return and if your accounting records are such that this figure is difficult to determine, leave this line blank. An allowance will be made for Rx containers and labels based on your prescription volume.
- **Lines (27)-(29) ---** On these lines identify any non-labor expenses not already included on your cost report but listed as other deductions on your federal income tax return. **Identify each item and the amount**, rather than labeling all such expenses as "miscellaneous." **If you wish, you may simply attach the schedule from your federal return, which lists these expenses.** Please clearly label any items that are 100% Rx-related, such as pharmacist continuing education, or that are 100% non-Rx-related, such as fountain operation expenses.

SECTION IIC --- PERSONNEL COSTS [LINES (31)-(45)]

- **Lines (31)-(38) --- "Percent of Prescriptions Dispensed."** Please provide your best estimate of the percentage of prescriptions dispensed by each pharmacist. Notice: This column must total line 38a (100%).
- **Lines (31)-(43) --- "Average Weekly Hours."** You may not have detailed records of where each employee worked; however, please provide your best estimate of an average or "typical" week. Column 6 should show average number of hours the employee worked per week. Column 7 should show the average number of hours per week spent performing Rx-related duties. Rx-related duties are defined as time spent filling prescriptions as well as doing the related administrative work, including ordering and stocking prescription ingredients, taking inventory, maintaining prescription files and delivering prescriptions. **Pharmacists providing consultation to long-term care facilities should be identified and listed separately. Any revenue received for those consultation services should be noted in Section IB, page 2.**
- **Lines (31)-(33) --- "Owners."** For purposes of this study, an employee who is a stockholder in the pharmacy is considered an "Owner." All individual proprietors, partners, or stockholders should list their total drawings and/or salaries for the year. Do not show net profit as the owner's salary but only **actual drawings or salary**. For those owners who took no salary or drawings, show zero to indicate you have not overlooked this line. A salary will be allocated based on time and/or prescriptions dispensed.
- **Lines (39)-(43) --- Rx Technicians, nonprofessional, clerical, and delivery personnel who perform Rx-related duties should be listed.**
- **Line (44) --- "All Non-Rx Employees."** List total salaries for all employees who spend **no time** in Rx-related duties.

SECTION IID --- RECONCILIATION WITH BOOKS OR FEDERAL INCOME TAX RETURN

The purpose of this reconciliation is to ensure that all expenses have been included and that none have been duplicated. For example, pharmacies operating as sole proprietors will normally need to list owner's salaries, drawings, and benefits as a reconciling item. Other examples of reconciling items are the 50% meals deduction, rent paid to related party, etc.

Exhibit 2Page 4
(8/2000)**SECTION III --- PHARMACY PRESCRIPTION CHARGES SURVEY**

List the appropriate information for the first **50 NEW** prescriptions dispensed on the day shown in the box in the upper left corner of the survey form. If 50 new prescriptions were not dispensed on that day, list the new prescriptions dispensed on the following day(s) until 50 are listed. **DO NOT** list compounded prescriptions. Skip these and proceed to the next prescription. All other new prescriptions must be listed - including loss leaders, special rates, sale prices, and controlled substances. Include OTC prescriptions only if you received third party reimbursement. **Actual selling price shown should be the amount received for the prescription. The selling price for third party prescriptions should be shown as the amount received from the third party plus any co-pay collected from the patient.** Complete the Payer Code column using the following codes:

Payer Type	Code
Cash	C
Medicaid (Fee for Service)	MF
Medicaid Managed Care	MM
CHAMPUS	CH
Workers Compensation	W
Private Insurance (e.g. BC/BS, through PBM etc.)	P
Other	O

If preferred, you may send a computer generated drug listing. Please ensure all required data (NDC Numbers, Strength of drug, etc) is included on the computer generated listing and identify any special codes used by your computer, i.e., M for Medicaid.

NOTE: For quantity filled, report the unit of issue used when requesting Medicaid prescription reimbursement (i.e. metric measurements).



CABINET FOR HEALTH SERVICES
COMMONWEALTH OF KENTUCKY
FRANKFORT, 40621-0001

DEPARTMENT FOR MEDICAID SERVICES
"An Equal Opportunity Employer M/F/D"

September 8, 2000

Dear Pharmacy Provider:

Pursuant to **KRS 205.561** and amendments added during the 2000 General Assembly, the Kentucky Department for Medicaid Services must annually submit to the Governor and the Legislative Research Commission a report which includes a research study to determine the average cost of dispensing prescription medications, including associated administrative costs, and the average cost of acquiring drugs for eligible recipients, the current level of dispensing fee, and an estimate of additional revenues required to adequately adjust reimbursement to cover costs for such pharmacies. The amendments added to KRS 205.561 required DMS to conduct this study and report findings by December 1, 2000. In order to complete this study within this timeline, the Department for Medicaid Services has contracted with the firm of Myers and Stauffer, Certified Public Accountants, to conduct a study to meet the requirements of this statute.

The information received from the study, "The Kentucky Medicaid Pharmacy Cost Report," will assist in determining the Kentucky Medicaid dispensing fee. In order to ensure an accurate and valid measurement of dispensing costs, all forms must be completed and returned within the allotted time to:

T. Allen Hansen
Myers and Stauffer
Certified Public Accountants
4123 SW Gage Center Drive
Suite 200
Topeka, Kansas 66604-1833

The contractor and the Department for Medicaid Services guarantee the confidentiality of the responses. Hence, no pharmacy will be given access to another pharmacy's data.

The Department for Medicaid Services wants to remind you that terms of the provider agreement between you and the Department contains the assurance that the provider "Agrees..... to furnish the State or Federal agencies with any information requested regarding payments claimed for furnishing services...." and "Agrees to permit representatives of the state and federal government to have the unrestricted right to examine, inspect, copy and audit all records pertaining to the provision of services furnished to Title XIX recipients."



Exhibit 3

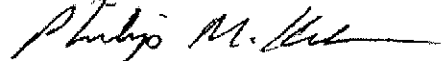
Pharmacy Provider Letter
September 8, 2000
Page Two

The requirement to accurately complete this survey in its entirety in the next few days cannot be over emphasized. The accuracy of survey results depends to a great extent on the number of completed surveys returned to the contractor. Please take time to complete the survey.

In March, a request for the same information had been made to comply with the then existing regulation timeframe of September 1, 2000. If you returned the completed survey and have no changes to report then simply send a letter to us stating this fact.

The survey must be completed and returned to Myers and Stauffer by October 2, 2000. If there are any questions, please call Allan Hansen of Myers and Stauffer at 1-800-255-2309.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip M. Kremer", with a stylized flourish at the end.

Philip M. Kremer, Director
Division of Physical Health

Enclosure

CC: Jay Douds
Deborah Green
Debra Bahr, R.Ph.



September 11, 2000

TO: Kentucky Pharmacies

As part of the on-going process of Medicaid fee determination, the Kentucky Department for Medicaid Services has contracted with our firm to conduct a survey of costs of dispensing prescriptions in Kentucky. All Kentucky pharmacy providers are requested to participate in the cost survey. We have conducted previous pharmacy cost surveys in Kentucky and fourteen other states and are pleased to again be working with pharmacies in the state of Kentucky.

Enclosed are copies of the Kentucky Medicaid Pharmacy Cost Report forms and instructions. We encourage you to read the instructions closely. Please submit the completed forms directly to us by October 2, 2000. **Due to a pressing timeline set by the Legislature, there will not be any extensions to the due date. In order for your stores to be considered in the dispensing cost study, your survey forms must be received by the due date.**

If your tax return has not been completed for your most current fiscal year, please file a cost report using your prior year's tax return and the corresponding prescription data for that year. The data will be adjusted accordingly. Please retain a copy of the completed survey forms for your records.

For your convenience, we offer to complete a portion of the survey for you. You may send us a copy of your business federal income tax return (Forms 1065, 1120, 1120S, or Schedule C of Form 1040 and accompanying schedules). All tax returns will be used in strict confidence and destroyed after the data is entered. If you choose to have us complete part of the survey, you will still need to complete the following cost report sections:

- Pages 1 and 2: Pharmacy attributes and other information
- Page 3: Line 1 (column 1) - prescription sales, and line 3 (columns 1 and 2) - prescription area and total store area
- Page 4: Personnel costs - complete lines 31 - 45, all columns
- Section III, Pharmacy Prescription Charges Survey

All information submitted on your report will be held in confidence. Each report will be assigned a 4-digit identification number to protect the confidentiality of ownership information. Access to this information will be limited to members of our firm.

It is very important that all pharmacies cooperate by filing an accurate cost report. Reports generated from this survey may be used as a basis for determining future professional fees paid under the Medicaid program.

If you have any questions, please call me toll free at 1-800-255-2309. Your cooperation in providing the information for this survey is greatly appreciated.

Sincerely,

Allan Hansen
Project Manager



September 11, 2000

TO: Kentucky Chain Pharmacies

As part of the on-going process of Medicaid fee determination, Kentucky Department for Medicaid Services has contracted with our firm to conduct a survey of costs of dispensing prescriptions in the State of Kentucky. We have conducted previous pharmacy cost surveys in Kentucky and fourteen other states and are pleased to again be working with pharmacies in the state of Kentucky.

Selected Kentucky pharmacy providers are requested to participate in the Kentucky pharmacy dispensing cost survey. Enclosed is a listing of the names and addresses of your Kentucky pharmacies selected to participate in the dispensing cost survey. A separate study of pharmacy drug acquisition cost is also being performed by Myers and Stauffer. If any of your pharmacies have been selected for the acquisition cost survey, details will be sent to you separately. Pharmacy information is presented as shown on the Kentucky Department for Medicaid Services records. If this list is inaccurate, please notify us.

Enclosed are several copies of the Kentucky Medicaid Pharmacy Cost Report forms and instructions. We encourage you to read the instructions closely. If you will require additional copies of the survey forms, please contact us and we will be happy to send additional supplies. If you would prefer to submit the data in an alternative format such as a spreadsheet, we are willing to work with you to determine an acceptable format.

Please submit your completed forms directly to us by **October 2, 2000**, and retain a copy of the completed survey forms for your records. **Due to a pressing timeline set by the Legislature, there will not be any extensions to the due date. In order for your stores to be considered in the dispensing cost study, your survey forms must be received by the due date.**

If you prefer, send individual income statements for each store and we will enter this information on the survey forms. All such information will be held in strict confidence and destroyed after the data is entered. You will still need to complete the following cost report sections:

- Pages 1 and 2: Pharmacy attributes and other information
- Page 3: Line 1 (column 1) - prescription sales, and line 3 (columns 1 and 2) - prescription area and total store area
- Page 4: Personnel costs - complete lines 31 - 45, all columns
- Section III, Pharmacy Prescription Charges Survey

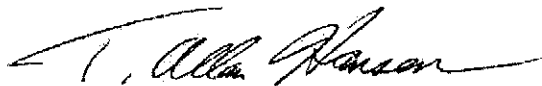
Please describe any cost allocations used in preparing the income statement such as administrative expense, et cetera. Warehousing costs should be shown in cost of goods sold or listed separately.

All information submitted on your report will be held in confidence. Each report will be assigned a 4-digit identification number to protect the confidentiality of ownership information. Access to this information will be limited to members of our firm.

It is very important that all pharmacies cooperate by filing an accurate cost report. Reports generated from this survey may be used as a basis for determining future professional fees paid under the Medicaid program.

If you have any questions, please call me toll free at 1-800-255-2309. Your cooperation in providing the information for this survey is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Allan Hansen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

T. Allan Hansen
Project Manager

Exhibit 6

KENTUCKY PHARMACISTS ASSOCIATION, INC.

1228 U.S. 127 SOUTH - FRANKFORT, KENTUCKY 40601
TELEPHONE (502) 227-2303
FAX (502) 227-2258

August 4, 2000

Dear Colleague:

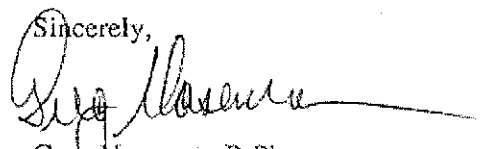
The 2000 Session of the Kentucky General Assembly enacted HB608 which made changes in the procedure and process for conducting the Cost of Dispensing survey for Medicaid prescriptions. Under the law the Cabinet for Health Services, Department for Medicaid Services is required to conduct the survey on an annual basis. Data from the survey is to be utilized to determine the cost of dispensing a Medicaid prescription in the Commonwealth.

I am writing this letter to ask for your assistance and cooperation in completing the Medicaid Dispensing Fee Survey. I realize that completing the survey instrument can be a demand on your already busy work days, yet the end result of your efforts and those of your fellow-pharmacists will be of benefit to all within the profession. Obviously the more information provided to the Department, the more valid the data will be for determining the dispensing fee.

Please make every effort to complete the survey clearly and accurately and return it by the completion date to the address indicated on the survey form.

I appreciate your cooperation and support for this important endeavor.

Sincerely,



Greg Naseman, R.Ph.
President





CABINET FOR HEALTH SERVICES
COMMONWEALTH OF KENTUCKY
FRANKFORT, 40621-0001

DEPARTMENT FOR MEDICAID SERVICES
"An Equal Opportunity Employer M/F/D"

September 28, 2000

Dear Pharmacy Provider:

You recently received a letter from the Department for Medicaid Services (DMS) which advised you pursuant to KRS 205.561 and amendments added during the 2000 General Assembly, that DMS must submit an annual report to the Governor and the Legislative Research Commission on the dispensing of prescription medications. The report is due on or before December 1, 2000.

DMS has retained the services of Myers and Stauffer, Certified Public Accountants, to obtain the required information from all pharmacies enrolled in the Kentucky Medicaid Pharmacy Program. Myers and Stauffer sent you a dispensing fee survey to complete and return to them by October 2, 2000.

As of this date, your completed survey has not been received. This survey is mandated by KRS 205.561 to determine the average cost of dispensing prescription medications. DMS feel it is in both of our interests for you to complete and return the survey.

Under the terms of the provider agreement you signed with the Department for Medicaid Services, you **agreed** to permit representatives of the state and federal government to have the unrestricted right to examine, inspect, copy and audit all records pertaining to the provision of services furnished to Title XIX recipients. Myers and Stauffer, in this respect, is acting as our agent to acquire this information for the Department. The Department believes that this agreement requires you to complete and return the survey. Failure to return the survey could be construed as a violation of your agreement with the Department.

You are strongly urged to comply with the terms of your provider enrollment agreement by returning the completed survey during the week of October 2, 2000.

If you need another survey form or have any questions, please call Allan Hansen of Myers and Stauffer at 1-800-255-2309.

Sincerely,

A handwritten signature in cursive script, reading "Philip M. Kremer", followed by a horizontal line.

Philip M. Kremer, Director
Division of Physical Health

PMK/jj



Exhibit 8

KENTUCKY PHARMACISTS ASSOCIATION, INC.

1228 U.S. 127 SOUTH - FRANKFORT, KENTUCKY 40601
TELEPHONE (502) 227-2303
FAX (502) 227-2258

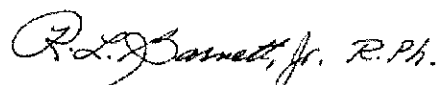
Dear Fellow Pharmacist:

The Kentucky Pharmacists Association devoted much time and effort to ensure enactment of KRS 205.561 and the 2000 Session amendments thereto. We continue to believe that appropriate implementation of these statutory requirements is in your best interest.

I recognize that completion of the survey instrument requires a significant commitment of your time. Yet, not only are accurate data essential to provide substance to the intent of the legislation, the provider agreement between your pharmacy and the Department for Medicaid Services requires you to provide the information requested.

I urge you to make every effort to ensure that the survey instrument is completed accurately and submitted promptly to Myers and Stauffer if you have not done so.

Sincerely,



Robert L. Barnett, Jr., R.Ph.
Executive Director





September 21, 2000

Dear Pharmacy Owner/Manager:

Recently you received a Kentucky Medicaid Pharmacy Cost Report and a request that you complete and return it to us by October 2, 2000. If you have returned the survey, please accept our thanks for your participation. If you previously completed a survey in the Spring of this year and have no changes to report, please send a letter to us stating this fact.

It is critical to obtain a maximum number of responses in order to ensure the validity of the survey. Due to the timeline set by the Kentucky Legislature, it will not be possible to allow for any extensions to the survey due date. **If you have not yet completed the survey, please complete and return them to us no later than October 2, 2000.**

The pharmacy cost study was initiated by the Kentucky Department for Medicaid Services for the purpose of determining the cost of filling a prescription. This is being done in accordance with state and federal regulations so that the Medicaid fee you receive may be evaluated by the Department. Since the fairness and objectivity of the final results of this cost survey are directly related to the degree of response of the pharmacists in Kentucky, it is very much in your interest to participate in helping to set the Medicaid fee.

Be assured that the information you provide will be kept completely confidential. The only people with access to the individual surveys will be members of our firm.

If you need assistance in completing the survey form, please call Myers and Stauffer at 1-800-255-2309. If you have not received the survey forms or have misplaced them, please call and we will be glad to send the forms to you.

Thank you again for your cooperation and assistance.

Sincerely,

T. Allan Hansen
Project Manager



**CABINET FOR HEALTH SERVICES
COMMONWEALTH OF KENTUCKY
FRANKFORT 40621-0001**

Office of General Counsel

October 5, 2000

Dear Pharmacy Provider:

As you know, House Bill 608 was enacted by the 2000 regular session of the Kentucky General Assembly and amended the requirements for drug studies upon which Medicaid reimbursement rates are to be based. The new studies must take into consideration a representative sample of pharmacies to be used in estimating relative factors affecting dispensing and acquisition costs. Factors to be considered include geographic location of pharmacies; pharmacy types; business volumes; and the relationship of Medicaid volume to total volume.

The Department for Medicaid Services, through its agent and contractor, Myers and Stauffer, has forwarded to you dispensing cost surveys and, in some instances, acquisition cost surveys. You have been requested to complete the survey form and to return it to Myers and Stauffer. The Department was mandated by the General Assembly to conduct this survey and to use its results in determining reimbursement rates. The Kentucky Pharmacists Association has also urged you to complete these survey forms. The Department needs your help to complete the dispensing report required by the new law.

The new and expanded requirements for the dispensing study were enacted with the cooperation of the Kentucky Pharmacists Association, and are designed to provide a more accurate view of provider experience in addressing the pharmaceutical needs of Medicaid recipients in Kentucky. The information will be used in setting reimbursement rates. It is in your best interest to complete this survey and return it to Myers and Stauffer. Cooperation with the Medicaid program will assure that your experience as a provider will be taken into consideration by the Medicaid program as it presents the results of its survey and study to the General Assembly and acts to establish future reimbursement rates.

Federal regulations at 42 C.F.R. 431.107 mandate that as a Medicaid provider you are required to furnish to the Medicaid program and its agents and representatives information on services provided recipients of Medicaid and information on payments claimed for services rendered. The records of the Department of Medicaid Services indicate that you have not returned the completed survey forms as requested on at least three occasions. Please do so immediately.



An Equal Opportunity Employer M/F/D

I urge you to cooperate and to participate in the Myers and Stauffer survey process.

Sincerely,

A handwritten signature in black ink, appearing to read "Ellen M. Heslen". The signature is fluid and cursive, with the first name "Ellen" being more prominent.

Ellen M. Heslen
General Counsel

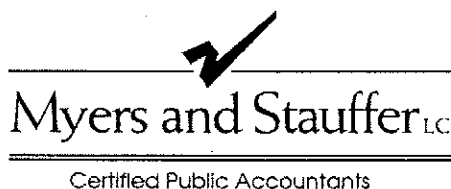
c: Jimmy D. Helton, Secretary

Dennis Boyd, Commissioner
Department for Medicaid Services

Ann Gordon
Legislative Liaison

Robert L. Barnett, Jr., R.Ph.
Executive Director

Exhibit 11



4123 SW Gage Center Drive, Suite 200
Topeka, Kansas 66604-1833
(800) 255-2309
(785) 228-6701 (fax)

October 10, 2000

0012345 / 1234
SAMPLE PHARMACY
100 MAIN STREET
ANYTOWN, KY 12345

Attention Owner/Manager:

Myers and Stauffer is working under contract with the Kentucky Department for Medicaid Services to conduct a survey of the cost of dispensing prescriptions for the Kentucky Medicaid program. After a preliminary review of the cost report you recently submitted, we have a few questions that will clarify the information you provided. Please answer the questions below and return this letter to us within one week. Make any necessary changes on the enclosed copy of your cost report and return with this form. A postage paid envelope is enclosed. If you have any questions, please call us toll free at (800) 255-2309. Thank you for your help and cooperation.

- 1) Please provide separate amounts for the following taxes that are included in your total tax expense of \$8,055 : real estate tax _____, personal property tax _____, sales tax _____, payroll taxes _____, other taxes _____.
- 2) Please complete/reconsider lines (31) - (38), page 4, 'Percent of Prescriptions Dispensed.' This should be the percentage of your total prescriptions that were dispensed by each pharmacist during the fiscal year of this report. The column total should be 100%.
- 3) Please reconsider lines (31) - (44). As shown you have \$74,064 in non-prescription sales and \$68,056 in non Rx labor. Does anyone included on line 44 perform any Rx support duties such as delivery or ringing up prescription sales? If so, please revise page 4.

Exhibit 12**Summary of Field Examination Findings
Kentucky Medicaid**

Assigned Number	Exceptions and Comments	Dispensing Cost per Prescription		Increase/ (Decrease)
		Original	Revised	
1526	Number of prescriptions dispensed, area ratio, various labor allocations	\$ 6.45	\$ 5.63	\$ (0.82)
1551	No change	5.93	5.93	-
3136	Number of prescriptions dispensed, area ratio, various labor allocations	10.10	7.18	(2.92)
3636	Area ratio	13.90	14.26	0.36
3997	Area ratio, various overhead allocations	6.42	6.39	(0.03)
5131	Area ratio	2.96	2.96	-
5566	Various labor allocations	3.70	3.95	0.25
5930	Area ratio	2.39	2.39	-
5956	Number of prescriptions dispensed, area ratio	4.96	4.56	(0.40)
6472	Number of prescriptions dispensed, area ratio, sales ratio	6.45	6.51	0.06
6584	Area ratio	4.01	3.91	(0.10)
6592	Area ratio, various overhead and labor allocations	5.70	8.83	3.13
6931	Area ratio, various labor allocations	7.18	7.61	0.43
8044	Area ratio	3.94	3.98	0.04
9322	No change	3.84	3.84	-
9704	Area ratio, various overhead allocations	4.48	4.42	(0.06)
0396	No change	3.07	3.07	-
Average Change per Pharmacy				\$ (0.004)
Standard Deviation				\$ 1.105
Number of Pharmacies				17
95% Confidence Interval for Average Change Due to Field Examination				
Lower Bound				\$ (0.529)
Upper Bound				\$ 0.522

Exhibit 13**Calculation of Container Cost Per Prescription
Kentucky Medicaid**

Container Type	Utilization	Cost	Extended
<u>Dry</u>			
6 dr.	5%	\$ 0.075	\$ 0.0038
8 dr.	20%	0.087	0.0174
12 dr.	25%	0.110	0.0275
16 dr.	15%	0.125	0.0187
20 dr.	15%	0.165	0.0248
30 dr.	10%	0.202	0.0202
40 dr.	5%	0.227	0.0114
60 dr.	5%	0.326	0.0163
			<u>\$ 0.1401</u>
<u>Liquid</u>			
2 oz.	10%	0.249	0.0249
3 oz.	5%	0.294	0.0147
4 oz.	60%	0.339	0.2036
6 oz.	10%	0.388	0.0388
8 oz.	10%	0.443	0.0443
12 oz.	3%	0.515	0.0129
16 oz.	3%	0.592	0.0148
			<u>\$ 0.3540</u>
Dry	0.1401	X 85%	= 0.119
Liquid	0.3540	X 15%	= <u>0.053</u>
Average Container Cost/Rx		=	0.173

Exhibit 14**Table of Inflation Factors for Dispensing Cost Survey
Kentucky Medicaid**

Fiscal Year End Date	Midpoint Date	Midpoint Index	Terminal Month Index (June 30, 2000)	Inflation Factor	Number of Stores with Year End Date
9/30/1998	3/31/1998	162.2	172.4	1.063	1
10/31/1998	4/30/1998	162.5	172.4	1.061	0
11/30/1998	5/31/1998	162.8	172.4	1.059	0
12/31/1998	6/30/1998	163.0	172.4	1.058	8
1/31/1999	7/31/1998	163.2	172.4	1.056	1
2/28/1999	8/31/1998	163.4	172.4	1.055	0
3/31/1999	9/30/1998	163.6	172.4	1.054	3
4/30/1999	10/31/1998	164.0	172.4	1.051	1
5/31/1999	11/30/1998	164.0	172.4	1.051	3
6/30/1999	12/31/1998	163.9	172.4	1.052	10
7/31/1999	1/31/1999	164.3	172.4	1.049	6
8/31/1999	2/28/1999	164.5	172.4	1.048	32
9/30/1999	3/31/1999	165.0	172.4	1.045	20
10/31/1999	4/30/1999	166.2	172.4	1.037	1
11/30/1999	5/31/1999	166.2	172.4	1.037	0
12/31/1999	6/30/1999	166.2	172.4	1.037	277
1/26/2000	7/31/1999	166.7	172.4	1.034	24
1/30/2000	7/31/1999	166.7	172.4	1.034	68
1/31/2000	7/31/1999	166.7	172.4	1.034	0
2/28/2000	8/31/1999	167.1	172.4	1.032	2
2/29/2000	8/31/1999	167.1	172.4	1.032	0
3/31/2000	9/30/1999	167.9	172.4	1.027	1
4/30/2000	10/31/1999	168.2	172.4	1.025	1
5/31/2000	11/30/1999	168.3	172.4	1.024	0
6/30/2000	12/31/1999	168.3	172.4	1.024	6
7/31/2000	1/31/2000	168.8	172.4	1.021	1

Inflation indices were obtained from the Consumer Price Index, All Urban, as published by the Bureau of Labor Statistics (BLS). Indices for January 2000 and June 2000 are shown as revised by BLS on September 28, 2000.

Pharmacy Dispensing Cost Survey Data
Statistical Summary
Kentucky Medicaid

Exhibit 15

Measures of Central Tendency													
General Statistics				Weighted Means		Medians			Excluding Outliers Beyond 3 Standard Deviations				
Characteristic	n: Number of Pharmacies	Standard Deviation		Standard Error of the Mean	Weighted by Total Rx Volume		Weighted by Medicaid Rx Volume		Weighted by Total Rx Volume		Weighted by Medicaid Rx Volume		Number of Pharmacies
		Mean					Median						
All Pharmacies in Sample	466	\$ 5.80	\$ 5.67	\$ 0.26	\$ 4.93	\$ 5.14	\$ 4.76	\$ 4.58	\$ 4.61	\$ 5.31	\$ 2.14	461	
Non I.V. Pharmacies	453	5.29	2.14	0.10	4.71	4.89	4.74	4.45	4.51	5.11	1.55	446	
I.V. Pharmacies	13	23.71	26.79	7.43	7.26	8.29	7.31	5.84	5.49	6.48	2.07	8	
Non I.V. Pharmacies Only													
Affiliation:													
Chain	180	4.96	1.61	0.12	4.54	4.83	4.58	4.38	4.46	4.90	1.42	179	
Independent	273	5.50	2.40	0.15	4.87	4.90	5.04	4.59	4.53	5.24	1.62	267	
Location:													
Urban	157	5.14	1.73	0.14	4.68	5.11	4.72	4.54	4.83	5.02	1.37	155	
Rural	286	5.37	2.34	0.14	4.71	4.79	4.73	4.35	4.30	5.15	1.63	281	
Out of State	10	5.25	1.96	0.62	5.16	6.47	4.82	5.40	5.44	5.25	1.96	10	
Medicaid Region 1	30	6.30	3.72	0.68	5.27	5.31	5.06	4.92	5.06	5.77	2.40	29	
Medicaid Region 2	52	5.45	2.02	0.28	4.93	4.95	5.08	4.62	4.62	5.45	2.02	52	
Medicaid Region 3	93	4.72	1.16	0.12	4.50	5.02	4.43	4.40	4.61	4.72	1.16	93	
Medicaid Region 4	70	5.81	2.49	0.30	4.99	4.86	5.41	4.43	4.23	5.61	1.80	69	
Medicaid Region 5	68	5.09	2.20	0.27	4.47	5.09	4.37	4.13	4.37	5.09	2.20	68	
Medicaid Region 6	26	5.65	1.43	0.28	5.13	5.40	5.30	4.90	4.98	5.65	1.43	26	
Medicaid Region 7	32	5.64	2.52	0.44	4.89	5.05	5.05	4.67	4.71	5.25	1.25	31	
Medicaid Region 8	72	4.87	1.64	0.19	4.40	4.51	4.28	4.12	4.10	4.87	1.64	72	

Pharmacy Dispensing Cost Survey Data
Statistical Summary
Kentucky Medicaid

Exhibit 15

Characteristic	Other Statistics					
	95% Confidence Interval for Mean (based on Student t)			Statistics to Test for Normality		
	Lower Bound	Upper Bound	t Value (with n-1 degrees of freedom)	Skewness	Standard Error of Skewness	Standard Error of Kurtosis
All Pharmacies in Sample	\$ 5.29	\$ 6.32	1.97	10.00	0.11	124.66
Non I.V. Pharmacies	5.09	5.48	1.97	3.24	0.12	16.61
I.V. Pharmacies	7.53	39.90	2.18	1.52	0.68	1.80
Non I.V. Pharmacies Only						1.36
Affiliation:						
Chain	4.72	5.20	1.97	2.88	0.18	11.21
Independent	5.22	5.79	1.97	3.09	0.15	14.81
Location:						
Urban	4.87	5.42	1.98	2.61	0.20	10.69
Rural	5.10	5.64	1.97	3.29	0.14	16.24
Out of State	3.84	6.65	2.26	1.65	0.77	3.43
Medicaid Region 1	4.91	7.69	2.05	2.95	0.45	10.00
Medicaid Region 2	4.88	6.01	2.01	2.06	0.34	6.19
Medicaid Region 3	4.48	4.96	1.99	0.97	0.25	0.78
Medicaid Region 4	5.22	6.41	1.99	2.97	0.29	14.77
Medicaid Region 5	4.56	5.62	2.00	2.88	0.30	9.66
Medicaid Region 6	5.07	6.22	2.06	0.78	0.48	0.37
Medicaid Region 7	4.73	6.55	2.04	3.71	0.43	17.40
Medicaid Region 8	4.49	5.26	1.99	1.86	0.29	3.25

Myers and Stauffer LC

DISP_exhibits.xls [15. DF Stats]

11/10/2000

**Pharmacy Dispensing Cost Survey Data
Statistical Summary
Kentucky Medicaid**

Exhibit 15

Characteristic	Measures of Central Tendency											
	General Statistics				Weighted Means		Medians			Excluding Outliers Beyond 3 Standard Deviations		
	n: Number of Pharmacies	Mean	Standard Deviation	Standard Error of the Mean	Weighted by Total Rx Volume	Weighted by Medicaid Rx Volume	Median	Weighted by Total Rx Volume	Weighted by Medicaid Rx Volume	Mean	Standard Deviation	Number of Pharmacies
Non I.V. Pharmacies Only												
Ownership Structure:												
Sole Proprietorships	36	5.48	3.01	0.50	4.61	4.31	4.71	4.20	3.91	5.06	1.70	35
Partnerships	7	7.26	5.04	1.91	5.72	6.17	5.42	4.11	4.15	5.53	2.28	6
Corporations	404	5.20	1.92	0.10	4.68	4.87	4.72	4.42	4.52	5.05	1.44	398
Annual Total Rx Volume:												
0 to 49,999	176	6.52	2.76	0.21	5.97	6.16	5.85	5.65	5.84	6.19	1.95	171
50,000 to 99,999	193	4.65	1.10	0.08	4.60	4.60	4.46	4.40	4.28	4.65	1.10	193
100,000 and Higher	84	4.17	0.73	0.08	4.26	4.18	4.10	4.28	4.08	4.17	0.73	84
Annual Medicaid Rx Volume:												
0 to 1,999	107	5.59	3.02	0.29	4.65	5.44	4.72	4.28	4.66	5.11	1.73	103
2,000 to 10,000	172	5.43	1.99	0.15	4.79	5.56	4.91	4.56	5.24	5.36	1.75	171
10,000 an Higher	174	4.96	1.50	0.11	4.68	4.72	4.58	4.47	4.35	4.96	1.50	174
Medicaid Utilization Ratio:												
0.0% to 1.9%	37	4.89	1.94	0.32	4.44	4.44	4.43	4.19	4.17	4.61	0.94	36
2.0% to 24.9%	203	5.02	1.86	0.13	4.62	4.76	4.62	4.44	4.57	4.86	1.29	200
25.0% and Higher	213	5.61	2.36	0.16	4.91	4.91	5.10	4.54	4.50	5.37	1.70	208
Does Not Disp. Unit Dose Rx's	385	5.21	2.14	0.11	4.62	4.76	4.71	4.40	4.40	5.02	1.49	379
Dispenses Unit Dose Rx's	68	5.71	2.07	0.25	5.18	5.24	5.31	5.00	4.65	5.58	1.80	67

Pharmacy Dispensing Cost Survey Data Statistical Summary Kentucky Medicaid

Exhibit 15

Characteristic	Other Statistics						
	95% Confidence Interval for Mean (based on Student t)		t Value (with n-1 degrees of freedom)	Statistics to Test for Normality			Standard Error of Kurtosis
	Lower Bound	Upper Bound		Skewness	Standard Error of Skewness	Kurtosis	
<u>Non I.V. Pharmacies Only</u>							
Ownership Structure:							
Sole Proprietorships	4.46	6.49	2.03	3.51	0.41	15.78	0.82
Partnerships	2.60	11.93	2.45	1.79	0.93	3.52	1.85
Corporations	5.01	5.38	1.97	3.16	0.12	17.58	0.24
Annual Total Rx Volume:							
0 to 49,999	6.11	6.93	1.97	2.56	0.18	9.26	0.37
50,000 to 99,999	4.50	4.81	1.97	1.37	0.18	3.23	0.35
100,000 and Higher	4.01	4.33	1.99	0.25	0.27	0.65	0.53
Annual Medicaid Rx Volume:							
0 to 1,999	5.01	6.17	1.98	3.31	0.24	12.76	0.47
2,000 to 10,000	5.14	5.73	1.97	2.43	0.19	9.77	0.37
10,000 and Higher	4.73	5.18	1.97	1.29	0.19	1.88	0.37
Medicaid Utilization Ratio:							
0.0% to 1.9%	4.24	5.53	2.03	4.09	0.40	20.85	0.81
2.0% to 24.9%	4.76	5.28	1.97	3.90	0.17	24.61	0.34
25.0% and Higher	5.29	5.93	1.97	2.79	0.17	12.90	0.34
Does Not Disp. Unit Dose Rx's	5.00	5.43	1.97	3.56	0.12	19.23	0.25
Dispenses Unit Dose Rx's	5.21	6.21	2.00	1.57	0.30	3.66	0.59

	androm name	overhead	labor	cost	cover	diabor	uocost	interventiv	per	unitdochain	chaincourban	ownership	totrtas	medvol	totol	codemidpr	code medpr	region	all	
3027	SHOFO PHM #2186	3.77	17.78	21.55	3.63	17.14	20.77	FALSE	0		R	COR	7062	1590	A	C		0.23	1	
3028	GEORGE JELLUS DRUG	3.87	18.19	20.06	3.73	15.62	19.35	FALSE	0		R	IND	36113	570	A	B		0.14	4	
3029	MAYSVILLE PHARMACY	5.93	11.75	17.69	5.72	11.33	17.05	FALSE	0		R	PAR	6589	5647	A	B		0.86	7	
3030	KROGER PHARM L-708	1.36	13	14.98	1.89	12.54	14.43	FALSE	0	X	KR	U	COR	13920	67	A	A		0	5
3031	THE PHARMACY CENTER OF PAD	7.39	6.85	14.85	7.64	6.55	14.2	FALSE	0		R	COR	10346	631	A	B		0.06	1	
3032	KROGER PHARM L-3636	9.08	5.18	14.25	8.75	4.98	13.74	FALSE	0	X	R	COR	4853	825	A	A		0.17	5	
3033	WEIRS DRUG & JEWELRY	5.27	8.68	13.95	5.02	8.25	13.27	FALSE	0		U	COR	12668	2780	A	B		0.22	2	
3034	KROGER PHARM L-336	0.92	10.54	11.46	0.89	10.15	11.05	FALSE	0	X	KR	U	COR	14611	1994	A	B		0.14	2
3035	MARY CHILES HOSP INC	7.51	3.72	11.23	7.19	3.56	10.75	FALSE	0	X	R	OTH	11400	5375	A	B		0.47	5	
3036	KMAT PHARMACY 4756	1.52	9.06	10.58	1.48	8.76	10.24	FALSE	0		KM	R	COR	23485	2*92	A	B		0.09	4
3037	KROGER PHARM L-282	1.24	9.3	10.54	1.2	8.97	10.17	FALSE	0	X	R	COR	16597	5800	A	B		0.34	8	
3038	ARLINGTON PHARMACY	3.66	8.64	10.3	3.53	6.4	9.53	FALSE	0		KR	R	COR	14776	4958	A	B		0.34	1
3039	WALGREENS 04448	2.2	7.91	10.11	2.1	7.55	9.65	FALSE	0	X	WG	R	COR	46144	22504	A	C		0.49	4
3040	GARRY'S PHARMACY	4.68	5.31	9.98	4.51	5.12	9.63	FALSE	0		R	IND	19483	10853	A	C		0.54	8	
3041	HEALTH CARE SVCS INC	2.46	7.49	9.95	2.34	7.13	9.37	FALSE	0	X	O	COR	58439	28775	B	C		0.49	0	
3042	KROGER PHARM L-403	0.85	9.07	9.92	0.82	8.75	9.57	FALSE	0	X	KR	R	COR	20953	5430	A	B		0.26	4
3043	CHRSTN HLTH CTR PHM	4.5	5.37	9.87	4.34	5.17	9.09	FALSE	0	X	R	OTH	16951	11347	A	C		0.67	8	
3044	CAMPUS PHARMACY	4.09	5.33	9.42	3.95	5.14	9.04	FALSE	0	X	U	OTH	16226	8241	A	B		0.51	2	
3045	K-MAT PHARMACY 4830	1.52	7.86	9.38	1.48	7.61	9.07	FALSE	0	X	KM	U	COR	21556	1969	A	B		0.09	6
3046	WICK-LIFE PHARMACY	3.39	5.91	9.3	3.27	5.7	8.97	FALSE	0		R	COR	18764	5241	A	B		0.28	1	
3047	WAL-MART PHM TC-2854	1.94	7.25	9.19	1.87	7.01	8.88	FALSE	0	X	WM	R	COR	15029	1693	A	B		0.11	4
3048	RILEY-WHITE DRUGS	1.85	7.14	8.99	1.76	6.98	8.66	FALSE	0.013	X	R	PAR	36113	13566	A	C		0.33	4	
3049	KROGER PHARM L-712	1.19	7.84	8.83	1.15	7.36	8.51	FALSE	0	X	KR	R	COR	19832	3528	A	C		0.13	5
3050	WHITLEY PHARMACY	2.39	6.44	8.83	2.3	6.21	8.31	FALSE	0		R	COR	13568	19851	A	C		0.18	1	
3051	CDS #1 PHARMACY	3.27	5.41	8.68	3.16	5.22	8.38	FALSE	0		R	COR	31759	14390	A	C		0.46	4	
3052	SMITHS GROVE DRG STR	1.91	6.73	8.64	1.84	6.49	8.33	FALSE	0		R	IND	15862	2558	A	B		0.16	4	
3053	THE MEDICINE SHOPPE	3.45	5.15	8.6	3.26	4.67	8.13	FALSE	0	X	R	IND	37764	872	A	B		0.02	3	
3054	COOLEY APOTHECAR INC	2.16	6.41	8.57	2.08	6.18	8.26	FALSE	0		U	COR	55408	20879	B	C		0.36	8	
3055	MARTINS COLD SPRINGS PHAR	3.19	4.81	8	3.08	4.63	7.71	FALSE	0		R	COR	15000	2273	A	C		0.15	6	
3056	KING DRUG & HOME CARE	2.61	5.35	7.96	2.49	5.08	7.57	FALSE	0		R	COR	71884	9470	B	B		0.13	2	
3057	DISCOUNT DRUG MART INC	2.9	5.02	7.82	2.79	4.84	7.63	FALSE	0		R	COR	25381	15345	A	C		0.6	7	
3058	K-MART PHARM #7225	0.98	6.94	7.92	0.85	6.72	7.67	FALSE	0	X	KM	U	COR	26544	6182	A	B		0.22	7
3059	HOME CONV AIDS INC	1.61	6.17	7.78	1.56	5.95	7.51	FALSE	0	X	U	COR	40745	3928	A	B		0.1	5	
3060	KROGER PHARM L-900	0.68	7.21	7.77	0.54	6.95	7.48	FALSE	0		KR	R	COR	23803	7144	A	B		0.3	4
3061	CLAY DRUG STORE	3.1	4.64	7.74	2.95	4.4	7.35	FALSE	0		R	COR	29292	14863	A	B		0.17	2	
3062	BILINGS DRUGS INC	1.23	6.42	7.7	1.25	6.27	7.52	FALSE	0		R	COR	28590	2764	A	B		0.1	5	
3063	DOCTORS PK APOTHECAR	2.22	5.41	7.63	2.11	5.14	7.25	FALSE	0		R	COR	26465	9893	A	C		0.37	8	
3064	THRIFTY PHARMACY INC	2.3	5.32	7.62	2.19	5.08	7.25	FALSE	0	X	R	COR	60365	14839	B	C		0.25	2	
3065	CHURCHMAN PHARM	2.48	5.13	7.61	2.39	4.95	7.34	FALSE	0		U	COR	14688	380	A	B		0.05	3	
3066	MCNEANS PHARMACY INC	2.45	5.15	7.6	2.38	4.97	7.33	FALSE	0	X	U	COR	14593	3904	A	B		0.27	7	
3067	PAULS PHARMACY	1.48	6.11	7.59	1.43	5.89	7.32	FALSE	0		U	COR	27347	17170	A	C		0.53	6	
3068	THE MEDICINE SHOPPE	4.75	2.83	7.58	4.58	2.73	7.31	FALSE	0		R	COR	69750	24135	B	C		0.39	4	
3069	BENTON DISCOUNT PHAR	2.48	5	7.49	2.4	4.82	7.22	FALSE	0		R	COR	49481	10316	A	C		0.21	1	
3070	NUNN DRUG INC	1.42	6	7.42	1.35	5.72	7.07	FALSE	0		R	COR	23212	9554	A	C		0.41	4	
3071	SPRINGHILL PHARMACY	2.19	5.22	7.41	2.11	5.04	7.15	FALSE	0		R	COR	47026	9337	A	B		0.2	4	
3072	DOCTORS PHARMACY INC	1.5	5.81	7.31	1.44	5.56	7	FALSE	0		U	COR	25590	1421	A	B		0.05	3	
3073	THE MEDICINE SHOPPE	2.2	5.11	7.31	2.12	4.93	7.05	FALSE	0		R	COR	21277	8630	A	B		0.42	8	
3074	THE MEDICINE SHOPPE	3.04	4.24	7.28	2.94	4.09	7.03	FALSE	0		R	COR	34246	6275	A	B		0.18	1	
3075	WALGREEN (04284)	1.71	5.84	7.25	1.63	5.29	6.92	FALSE	0	X	WG	U	COR	71417	5004	B	B		0.07	6
3076	NATION MED LOW COST	1.4	5.83	7.24	1.36	5.63	6.59	FALSE	0	X	U	COR	61519	7349	B	B		0.12	2	
3077	NATION'S MEDICINES	2.28	4.95	7.23	2.2	4.77	6.97	FALSE	0		R	COR	48531	15221	A	C		0.31	4	
3078	WHITEHEAD DRUG STORE INC	2.97	4.25	7.22	2.86	4.1	6.98	FALSE	0		U	COR	48025	4688	A	B		0.1	3	
3079	WOOLDRIDGE DRUG INC	1.34	5.85	7.19	1.29	5.58	6.86	FALSE	0		R	COR	33444	1216	A	B		0.04	3	
3080	MEDICAL ARTS PHARM	1.5	5.69	7.19	1.46	5.54	7	FALSE	0		R	COR	10669	1306	A	A		0.12	7	
3081	NATION'S MEDICINES	3.4	3.74	7.14	3.28	3.81	6.89	FALSE	0		R	COR	26072	9398	A	B		0.36	4	
3082	THE MEDICINE SHOPPE	4.3	2.83	7.13	4.15	2.73	6.88	FALSE	0		R	COR	32310	1313	A	C		0.04	3	
3083	WALGREENS (04082)	2.17	4.92	7.03	2.07	4.77	6.77	FALSE	0	X	WG	U	COR	46772	3598	A	B		0.08	6
3084	KROGER PHARM L-708	1.12	5.94	7.09	1.06	5.73	6.81	FALSE	0		KR	U	COR	40515	597	A	C		0.01	5
3085	RX DISCOUNT PHARMACY	2.31	4.66	6.99	2.23	4.51	6.74	FALSE	0	X	R	COR	53446	27101	B	C		0.51	8	
3086	NHC HLTH CARE PHARM	2.46	4.49	6.95	2.36	4.33	6.71	FALSE	0	X	R	COR	24152	18107	A	C		0.79	4	
3087	MEDICINE SHOPPE	2.5	4.4	6.9	2.42	4.25	6.67	FALSE	0		U	COR	20081	1136	A	B		0.06	5	
3088	SAR-JEWELL PHARMACY	1.95	4.92	6.87	1.96	4.75	6.63	FALSE	0	X	R	COR	31625	11645	A	C		0.37	1	
3089	KROGER PHARM L-722	0.63	6.22	6.85	0.61	6	6.61	FALSE	0	X	KR	U	COR	57895	1105	B	C		0.02	5
3090	MATHEWAN FAMILY PHARM	2.74	4.06	6.8	2.85	3.91	6.56	FALSE	0		R	COR	19212	2363	A	B		0.12	0	
3091	MARLOWBONE CLN PHARM	2.13	4.67	6.8	2.06	4.5	6.57	FALSE	0		R	COR	24896	7693	A	B		0.31	8	
3092	NAPSTON CONVALES PHM	1.18	5.61	6.79	1.14	5.41	6.55	FALSE	0	X	U	OTH	32878	18823	A	C		0.67	6	
3093	BARTISLOW PRESCRIPTION CTR	1.63	5.15	6.78	1.8	5.05	6.65	FALSE	0.0133		R	COR	43063	8933	A	B		0.21	4	
3094	GLASGOW COMPANY #1	1.45	5.3	6.75	1.39	5.07	6.45	FALSE	0	X	U	COR	23925	1422	A	B		0.06	3	
3095	KROGER PHARM L-70	0.63	6.05	6.8	0.74	0.65	6.5	FALSE	0		R	COR	32173	574	A	C		0.57	4	
3096	DOAN'S DRUGS	2.87	3.87	6.74	2.26	3.73	6.49	FALSE	0		R	COR	27582	7785	A	B		0.28	4	

random name	overhead	labor	cost	cover	ulabor	uocost	interventiv	per	unifidchain	chainurban	ownership	totrxs	medvol	total	code	medvol	code	medper	region	all	
7088 DRUG EMPORIUM-409	2.87	3.87	6.74	2.76	3.73	6.49	FALSE	0	X	U	IND	27882	1474	A	A	B	0.05	6	0.05	6	TRUE
2779 K-MART PHARMACY 9861	0.92	5.8	6.72	0.89	5.6	6.49	FALSE	0	X	KM	R	33849	1004	A	A	B	0.03	5	0.03	5	TRUE
3169 DRAFTENVILLE PHARM	1.53	5.18	6.71	1.47	4.89	6.46	FALSE	0	X	R	COR	89387	9005	B	B	B	0.13	1	0.13	1	TRUE
4172 WALGREENS 05353	0.83	5.88	6.71	0.79	5.61	6.4	FALSE	0	X	WG	U	68346	8646	B	B	B	0.13	2	0.13	2	TRUE
8828 THE MEDICINE SHOPPE	3.21	3.44	6.65	3.1	3.32	6.42	FALSE	0	X	R	PAR	45421	14123	A	C	C	0.31	4	0.31	4	TRUE
2516 PURE DRUG CO	0.88	5.74	6.62	0.85	5.54	6.33	FALSE	0	X	R	PAR	25790	12427	A	C	C	0.46	4	0.46	4	TRUE
4435 CLINIC PHARMACY	1.12	5.48	6.6	1.08	5.29	6.37	FALSE	0	X	R	COR	39055	32036	A	C	C	0.82	7	0.82	7	TRUE
9809 METCALFE DRUGS	1.34	5.23	6.57	1.29	5.04	6.33	FALSE	0	X	R	COR	29547	11466	A	C	C	0.38	4	0.38	4	TRUE
6472 MED SOURCE	2.35	4.16	6.51	2.24	3.98	6.22	FALSE	0	X	U	COR	246364	81949	C	C	C	0.37	3	0.37	3	TRUE
5381 LEWISPORT PHARMACY	1.64	4.86	6.5	1.57	4.85	6.22	FALSE	0	X	R	COR	33162	10013	A	C	C	0.32	2	0.32	2	TRUE
6325 THE MEDICINE SHOPPE	3.03	3.47	6.5	2.82	3.34	6.25	FALSE	0	X	R	COR	48202	1052	A	A	C	0.02	5	0.02	5	TRUE
5253 ROBARDS DRUGS	4.27	2.22	6.49	4.11	2.14	6.25	FALSE	0	X	R	COR	76463	24718	B	C	C	0.32	2	0.32	2	TRUE
6924 BERINGER DRUG STORE INC	2.75	3.73	6.48	2.65	3.6	6.25	FALSE	0	X	U	COR	42556	17370	A	C	C	0.41	6	0.41	6	TRUE
7658 BARRY'S PHARMACY	1.73	4.74	6.47	1.63	4.48	6.11	FALSE	0	X	U	COR	84752	26224	B	C	C	0.31	2	0.31	2	TRUE
4338 MOREHEAD CLINIC PHM	2.1	4.36	6.46	2.02	4.2	6.22	FALSE	0	X	R	COR	69013	27609	B	C	C	0.47	7	0.47	7	TRUE
6335 THE MEDICINE SHOPPE	3.5	2.93	6.43	3.31	2.77	6.05	FALSE	0	X	R	COR	28183	8338	A	B	C	0.3	3	0.3	3	TR-JE
3987 MEDICINE SHOPPE	3.31	3.08	6.39	3.19	2.97	6.16	FALSE	0	X	R	COR	62848	2888	B	B	C	0.05	5	0.05	5	TRUE
4318 NORTHGATE PHARMACY	1.42	4.86	6.38	1.37	4.73	6.15	FALSE	0	X	R	COR	48701	11422	A	A	C	0.23	4	0.23	4	TRUE
6897 CITZ NRSG HOME SVCS	0.95	5.42	6.37	0.91	5.23	6.14	FALSE	0	X	R	COR	36188	36373	A	C	C	1	8	1	8	TRUE
1980 THE MEDICINE SHOPPE	2.59	3.77	6.35	2.49	3.64	6.13	FALSE	0	X	R	COR	66711	12435	B	B	C	0.19	4	0.19	4	TRUE
2866 CLARKSON DRUG STORE	1.05	5.26	6.32	1.03	5.07	6.1	FALSE	0.014	X	R	COR	56503	11355	B	C	C	0.27	3	0.27	3	TRUE
0233 NATIONS MEDICINES	1.19	5.12	6.31	1.15	4.94	6.09	FALSE	0	X	U	COR	48519	9285	A	B	C	0.2	2	0.2	2	TRUE
7585 NHC HEALTHCARE	2.61	3.7	6.31	2.52	3.57	6.08	FALSE	0	X	R	COR	10585	7538	A	B	C	0.71	2	0.71	2	TRUE
6174 LB CLINIC PHARMACY	1	5.3	6.3	0.96	5.12	6.08	FALSE	0	X	R	IND	45003	21533	A	A	C	0.48	8	0.48	8	TRUE
2717 TOWN CNTRY DISCT DRG	1.76	4.51	6.29	1.69	4.29	5.98	FALSE	0	X	U	COR	17292	1627	A	A	C	0.09	2	0.09	2	TRUE
1064 WAL-MART PHA 10-0410	1.44	4.84	6.28	1.4	4.68	6.08	FALSE	0	X	WM	R	69521	5548	B	B	C	0.08	1	0.08	1	TRUE
5645 WAL-MART P-IM 10-0589	1.02	5.25	6.27	0.98	5.07	6.05	FALSE	0	X	WM	U	37414	401	A	A	C	0.01	3	0.01	3	TRUE
3893 NORTONVILLE DRUG STOINC	1.85	4.32	6.17	1.77	4.14	5.97	FALSE	0	X	R	COR	27677	8074	A	B	C	0.29	2	0.29	2	TRUE
9091 HILLS VALU-RITE PHM	1.43	4.68	6.11	1.38	4.51	5.89	FALSE	0	X	R	COR	49470	27163	A	C	C	0.55	4	0.55	4	TRUE
5941 COLLEGE DRUG INC.	0.95	5.12	6.07	0.92	4.94	5.86	FALSE	0	X	R	COR	24278	17144	A	C	C	0.71	4	0.71	4	TRUE
7588 WAL-MART PHM 10-1269	1.45	4.62	6.07	1.41	4.47	5.86	FALSE	0	X	WM	U	63746	532	B	A	C	0.01	3	0.01	3	TRUE
4846 GREENWELLS PHARMACY	1.13	4.9	6.03	1.09	4.72	5.81	FALSE	0	X	R	IND	10075	1380	A	A	C	0.14	7	0.14	7	TRUE
2337 DUNAWAY IMPERIAL PHM	1.3	4.72	6.02	1.25	4.55	5.8	FALSE	0	X	U	COR	60711	10414	B	C	C	0.17	2	0.17	2	TRUE
5836 LINCOLN TRL P-ARMACY	1.58	4.37	5.95	1.5	4.16	5.66	FALSE	0	X	R	COR	38840	3372	A	B	C	0.08	3	0.08	3	TRUE
1551 NEWKIRK DRUGS	1.63	4.3	5.93	1.57	4.15	5.72	FALSE	0	X	IND	20596	3685	A	B	C	0.17	3	0.17	3	TRUE	
2198 MODEL DRUG STORE INC	2.46	3.47	5.93	2.38	3.34	5.72	FALSE	0	X	R	COR	23409	7956	A	A	B	0.34	4	0.34	4	TRUE
3172 KROGER PHARM L-717	0.67	5.21	5.88	0.65	5.02	5.67	FALSE	0	X	KR	R	41808	746	A	B	C	0.02	3	0.02	3	TRUE
6832 PHARMACARE PHARMACY	2.71	3.17	5.89	2.61	3.06	5.67	FALSE	0	X	U	COR	50672	12267	B	B	C	0.24	6	0.24	6	TRUE
1149 COTTONGIM DRUG CO	1.56	4.31	5.87	1.48	4.06	5.58	FALSE	0	X	R	COR	26526	6382	A	B	C	0.24	8	0.24	8	TRUE
1907 NATIONS MEDICINES	1.64	4.21	5.85	1.58	4.06	5.64	FALSE	0	X	R	COR	46339	15083	A	A	C	0.33	4	0.33	4	TRUE
3752 WALMART STORES EAST	1.12	4.73	5.85	1.08	4.57	5.65	FALSE	0	X	WM	U	46694	623	A	A	C	0.01	5	0.01	5	TRUE
2352 RICK'S PHARMACY	1.81	4.03	5.84	1.75	3.88	5.63	FALSE	0	X	R	COR	51576	18705	B	C	C	0.36	1	0.36	1	TRUE
9415 WAL-MART PHM 10-0526	1.46	4.38	5.84	1.42	4.24	5.66	FALSE	0	X	WM	U	55676	488	B	A	C	0.01	3	0.01	3	TRUE
0837 SOMERSET PHARMACY	2.14	3.69	5.83	2.06	3.55	5.61	FALSE	0.0387	X	R	IND	16059	5528	A	A	B	0.34	4	0.34	4	TRUE
6258 NATIONS MEDICINES	2.26	3.54	5.8	2.18	3.41	5.59	FALSE	0	X	R	COR	40529	1838	A	A	B	0.05	3	0.05	3	TRUE
9458 K-MART PHARMACY 3446	1.09	4.69	5.78	1.06	4.52	5.58	FALSE	0	X	KM	U	45939	4962	A	B	C	0.11	7	0.11	7	TRUE
8349 FREEDONA PHM CORNER	2.42	3.34	5.76	2.32	3.19	5.51	FALSE	0	X	R	COR	20749	8967	A	B	C	0.39	1	0.39	1	TRUE
1656 KUCAS-MOORE INC	2.08	3.67	5.75	2.03	3.59	5.52	FALSE	0	X	U	COR	39741	4957	A	B	C	0.12	6	0.12	6	TRUE
3923 K-MART PHARM #7474	1	4.74	5.74	0.97	4.59	5.56	FALSE	0	X	KM	R	34162	8104	A	B	C	0.18	8	0.18	8	TRUE
5251 EDMONTON DRUGS INC	1.49	4.24	5.73	1.42	4.03	5.45	FALSE	0	X	R	COR	24839	9903	A	E	B	0.4	4	0.4	4	TRUE
8231 K-MART PHARMACY 3029	0.95	4.74	5.69	0.92	4.59	5.51	FALSE	0	X	KM	U	29841	1616	A	A	B	0.05	6	0.05	6	TRUE
1132 WALGREENS 03677	1.12	4.55	5.67	1.07	4.34	5.41	FALSE	0	X	WG	U	149026	1241	C	A	A	0.01	3	0.01	3	TRUE
5475 PARKLAND DRUGS	1.03	4.64	5.67	0.99	4.47	5.46	FALSE	0	X	R	COR	40109	9330	A	B	C	0.23	4	0.23	4	TRUE
6717 DANHAUER DRUG CO	1.8	3.86	5.66	1.71	3.67	5.38	FALSE	0.0028	X	U	COR	75004	38754	B	C	C	0.53	2	0.53	2	TRUE
0077 WAL-MART PHM 10-1246	1.35	4.31	5.66	1.31	4.17	5.48	FALSE	0	X	WM	U	80576	851	B	A	C	0.01	3	0.01	3	TRUE
2875 KNOX PROF PHARMACY	1.54	4.12	5.56	1.48	3.98	5.45	FALSE	0	X	R	COR	56789	30200	B	C	C	0.53	8	0.53	8	TRUE
3710 PARK AVENUE PHARM	1.39	3.95	5.55	1.63	3.82	5.45	FALSE	0	X	R	COR	38869	12158	A	B	C	0.31	4	0.31	4	TRUE
1910 WAL-MART PHM 10-1510	1.34	4.31	5.55	1.29	4.17	5.45	FALSE	0	X	WM	U	61077	3435	B	B	C	0.06	6	0.06	6	TRUE
3621 PIC/D&A FAMILY DSC DRUGS	1.27	4.38	5.55	1.23	4.22	5.45	FALSE	0	X	R	COR	36814	15829	A	A	C	0.43	7	0.43	7	TRUE
5330 WALMART PHM 10-0665	1.53	4.12	5.55	1.48	3.98	5.46	FALSE	0	X	WM	R	57239	7217	B	B	C	0.13	4	0.13	4	TRUE
5176 THE MEDICINE SHOPPE	2.31	3.32	5.53	2.23	3.2	5.43	FALSE	0	X	R	COR	76750	1966	A	A	B	0.03	3	0.03	3	TRUE
1526 HOSPITAL STREET PHM	1.22	4.4	5.62	1.18	4.24	5.42	FALSE	0	X	R	COR	50553	12348	B	C	C	0.26	2	0.26	2	TRUE
2702 PROFESSIONAL PHARM	1.64	3.97	5.61	1.58	3.8																

	random name	overhead	labor	cost	cover	labor cost	interventiv	per	untidochain	chainurban	ownership	totras	metval	total code	medval	code medpar	region	all	
	K-MART PHARMACY #9884	0.82	4.68	5.51	0.78	4.54	5.32	FALSE	0	X	R	COR	68881	11421 B	C	C	0.17 7	TRUE	
	PROFESSIONAL PHARM	1.77	3.73	5.5	1.71	3.6	5.3*	FALSE	0	X	R	IND	25347	17844 A	C	C	0.7 8	TRUE	
	THE MCDINE SHOP #682	2.77	4.72	5.49	2.67	2.62	5.29	FALSE	0	X	R	IND	56902	8096 B	B	B	0.14 4	TRUE	
	HUBBARD & CURRY	1.96	4.12	5.48	1.31	3.97	5.28	FALSE	0	X	R	COR	32689	807 A	B	B	0.02 5	TRUE	
	PURMCO INC	2.79	2.88	5.47	2.89	2.59	5.28	FALSE	0	X	O	OTH	613965	37529 C	C	C	0.06 O	TRUE	
	K-MART PHARMACY #503	0.82	4.85	5.47	0.8	4.5	5.3	FALSE	0	X	R	COR	62958	7250 B	C	B	0.04 5	TRUE	
	G & O P-HARMACY	1.56	3.89	5.45	1.5	3.75	5.25	FALSE	0	X	R	COR	77696	16000 B	C	B	0.21 1	TRUE	
	WALGREENS #3418	1.33	4.12	5.45	1.27	3.93	5.2	FALSE	0	X	WG	U	COR	80496	3085 B	B	B	0.04 6	TRUE
	CDS #10 DRUG	0.85	4.59	5.44	0.82	4.43	5.25	FALSE	0	X	R	IND	74184	6081 B	B	B	0.08 4	TRUE	
	WAL-MART PHM 10-0497	1.09	4.34	5.43	1.05	4.2	5.26	FALSE	0	X	WM	R	COR	46397	439 A	A	B	0.01 3	TRUE
	WAL-MART PHM 10-1129	1.31	4.12	5.43	1.27	3.98	5.25	FALSE	0	X	WM	R	COR	75706	9013 B	B	A	0.12 7	TRUE
	CLINIC PHARMACY	1.41	4	5.41	1.36	3.86	5.22	FALSE	0	X	R	COR	36852	9570 A	C	B	0.27 4	TRUE	
	KENTUCKY CLINIC PHARMACY	0.6	4.8	5.4	0.57	4.57	5.14	FALSE	0	X	OTH	201315	10494 C	A	C	B	0.05 5	TRUE	
	THE MEDICINE SHOPPE	2.58	2.81	5.39	2.48	2.71	5.19	FALSE	0	X	U	COR	76320	4613 B	B	B	0.06 3	TRUE	
	K-MART PHARMACY #3850	0.97	4.42	5.39	0.94	4.27	5.21	FALSE	0	X	<M	COR	40988	1*03 A	A	C	0.03 5	TRUE	
	SMITH DRUG CO INC	1.53	3.66	5.39	1.47	3.72	5.19	FALSE	0	X	O	COR	103215	4354 C	B	B	0.04 O	TRUE	
	WAL-MART PHM 10-0335	1.75	3.84	5.39	1.69	3.52	5.21	FALSE	0	X	WM	R	COR	96408	6644 B	B	B	0.1 2	TRUE
	KMART PHARMACY 4077	0.92	4.47	5.38	0.86	4.32	5.21	FALSE	0	X	WM	U	COR	91023	3476 B	B	B	0.04 5	TRUE
	PEELER HOME CARE	1.53	3.63	5.36	1.44	3.61	5.05	FALSE	0	X	R	COR	47582	14833 A	A	C	0.31 2	TRUE	
	HINES PHARMACY	1.67	3.69	5.38	1.61	3.56	5.17	FALSE	0	X	R	COR	44534	13100 A	A	C	0.43 4	TRUE	
	GOWER DRUG STORE	1.26	4.09	5.35	1.21	3.94	5.15	FALSE	0	X	R	COR	38915	11952 A	C	C	0.27 4	TRUE	
	BROOKER PHARM L-400	0.57	4.78	5.35	0.55	4.61	5.16	FALSE	0	X	HR	U	COR	48922	550 A	A	C	0.01 3	TRUE
	BEECHMONT PHARMACY	0.76	4.58	5.34	0.73	4.38	5.11	FALSE	0	X	R	COR	38938	5924 A	B	B	0.15 2	TRUE	
	EMORY CENTER PHARM	1.47	3.84	5.31	1.42	3.71	5.13	FALSE	0	X	U	COR	34339	4206 A	B	B	0.12 2	TRUE	
	CRESTVIEW DRUGS INC	1.22	4.08	5.3	1.17	3.91	5.08	FALSE	0	X	U	COR	73848	2329 B	B	B	0.03 6	TRUE	
	PROF CARE PHARM INC	1.32	3.98	5.3	1.25	3.78	5.03	FALSE	0	X	R	COR	52552	17258 B	B	C	0.33 7	TRUE	
	WAL-MART PHM 10-0430	1.55	3.75	5.3	1.5	3.63	5.13	FALSE	0	X	WM	R	COR	84489	6464 B	B	C	0.1 1	TRUE
	GIBSON'S PHARMACY	1.81	3.49	5.3	1.74	3.37	5.11	FALSE	0	X	R	COR	125901	26088 C	C	B	0.22 1	TRUE	
	WAL-MART PHM 10-0711	1.28	4.02	5.3	1.24	3.88	5.12	FALSE	0	X	WM	R	COR	74292	6046 B	B	C	0.09 4	TRUE
	PREScription SHOP	1.13	4.16	5.26	1.09	4.01	5.1	FALSE	0	X	R	COR	32852	13695 A	A	C	0.42 4	TRUE	
	KROGER PHARM L-315	0.82	4.67	5.26	0.59	4.51	5.1	FALSE	0	X	KR	U	COR	16362	824 B	A	A	0.01 5	TRUE
	WAL-MART PHARM 4701	1.37	3.92	5.29	1.33	3.79	5.12	FALSE	0	X	WM	U	COR	101453	5351 C	B	B	0.05 2	TRUE
	WAL-MART PHM 10-1234	1.35	3.93	5.28	1.3	3.8	5.1	FALSE	0	X	WM	R	COR	41239	7437 A	A	B	0.18 4	TRUE
	K-MART PHARMACY #646	0.95	4.42	5.27	0.82	4.27	5.09	FALSE	0	X	WM	R	COR	39574	1871 A	A	B	0.04 4	TRUE
	WALGREENS 020991	1.66	3.61	5.27	1.58	3.44	5.02	FALSE	0	X	WG	U	COR	59997	28233 B	A	C	0.47 6	TRUE
	WAL-MART PHM 10-1048	1.62	3.64	5.26	1.57	3.52	5.08	FALSE	0	X	WM	R	COR	88290	21957 B	C	C	0.25 8	TRUE
	HEALTH WAY PHA-3MACY	2	3.26	5.26	1.92	3.14	5.06	FALSE	0	X	R	COR	34000	20502 A	B	C	0.3 7	TRUE	
	WOODS DRUG STORE INC	1.89	3.33	5.22	1.82	3.21	5.03	FALSE	0	X	U	COR	41521	15182 A	A	C	0.37 2	TRUE	
	MEDICAL TOWERS PHARM	2.48	2.74	5.22	2.39	2.64	5.03	FALSE	0	X	U	COR	34110	2105 A	A	C	0.06 3	TRUE	
	ECONOMY DRUG CO INC	1.73	3.47	5.2	1.67	3.34	5.01	FALSE	0	X	R	COR	90286	18969 B	B	C	0.21 8	TRUE	
	KYVA PHARMACY	0.69	4.48	5.17	0.67	4.34	5.01	FALSE	0	X	R	COR	30373	15284 A	A	C	0.5 8	TRUE	
	WAL-MART PHA 10-0257	1.88	3.58	5.16	1.53	3.46	4.96	FALSE	0	X	WM	R	COR	57605	4508 B	B	C	0.06 2	TRUE
	FAMILY PHARMACY	1.45	3.69	5.14	1.4	3.57	4.97	FALSE	0	X	WM	U	COR	65126	1213 B	A	B	0.02 5	TRUE
	CAVE RUN PHARMACY	1.27	3.85	5.13	1.22	3.73	4.95	FALSE	0	X	R	COR	41616	8693 A	B	C	0.21 7	TRUE	
	WALGREENS #2525	0.83	4.24	5.12	0.84	4.05	4.98	FALSE	0	X	WG	U	COR	120485	6997 C	B	B	0.06 6	TRUE
	KROGER PHARM L-395	0.42	4.7	5.12	0.41	4.53	4.94	FALSE	0	X	KR	U	COR	91254	729 B	A	A	0.01 3	TRUE
	WALGREENS #3691	2.9	2.22	5.12	2.77	2.11	4.86	FALSE	0	X	WG	U	COR	56259	10303 B	B	C	0.16 2	TRUE
	WAL-MART PHM 10-0694	1.76	3.32	5.08	1.7	3.2	4.9	FALSE	0	X	R	COR	68682	12156 B	A	C	0.18 3	TRUE	
	OWENS DRUG STORE	1.37	3.71	5.08	1.32	3.57	4.89	FALSE	0	X	R	IND	7862	3788 A	B	C	0.46 2	TRUE	
	CAMPBELL DRUG CO	1.18	3.89	5.07	1.14	3.75	4.86	FALSE	0	X	R	IND	37078	2217 A	B	B	0.06 5	TRUE	
	PERKINS PHARMACY	1.35	3.71	5.06	1.3	3.58	4.86	FALSE	0	X	R	COR	35021	10352 A	A	C	0.3 1	TRUE	
	CAVERT CITY PHARMACY	1.73	3.33	5.06	1.69	3.25	4.94	FALSE	0	X	R	COR	55480	16513 B	B	C	0.03 1	TRUE	
	WAL-MART PHM 10-0694	1.41	3.64	5.05	1.37	3.52	4.89	FALSE	0	X	WM	U	COR	73137	4470 B	A	A	0.06 2	TRUE
	PLAZA PHARMACY	1.11	3.94	5.05	1.07	3.8	4.87	FALSE	0	X	R	COR	58704	17482 B	A	C	0.31 7	TRUE	
	WALGREENS 03601	1.62	3.43	5.05	1.55	3.27	4.87	FALSE	0	X	WG	U	COR	73586	1899 B	A	C	0.02 3	TRUE
	BAKERS PHARMACY	1.24	3.78	5.02	1.19	3.65	4.84	FALSE	0	X	U	COR	25508	501 A	A	B	0.02 5	TRUE	
	KROGER PHARMACY L333	0.49	4.53	5.02	0.47	4.37	4.94	FALSE	0	X	KR	O	COR	89337	8 B	A	A	0 O	TRUE
	KROGER PHARM L-362	0.42	4.57	4.99	0.41	4.41	4.82	FALSE	0	X	KR	R	COR	64571	1663 B	A	A	0.03 3	TRUE
	RADCLIFF DRUGS INC	1.1	3.87	4.97	1.05	3.69	4.74	FALSE	0	X	R	COR	98400	7566 B	B	B	0.06 3	TRUE	
	WALGREENS 01648	0.92	4.35	4.97	0.87	3.85	4.73	FALSE	0	X	WG	U	COR	85039	2625 B	B	B	0.03 3	TRUE
	WALGREENS 00743	0.94	4.03	4.97	0.9	3.84	4.74	FALSE	0	X	WG	U	COR	14252	26538 C	C	B	0.14 6	TRUE
	KROGER PHARM L-352	0.37	4.59	4.96	0.36	4.43	4.79	FALSE	0	X	R	COR	512306	2025 C	B	B	0.02 5	TRUE	
	HUME PHARMACY	1.67	3.29	4.98	1.61	3.17	4.78	FALSE	0.0049	X	U	COR	53182	1770 B	A	B	0.03 3	TRUE	
	KROGER PHARM L-713	0.68	4.28	4.95	0.65	4.12	4.77	FALSE	0	X	WM	U	COR	61986	1190 B	A	B	0.02 5	TRUE
	WAL-MART PHA 10-0204	1.36	3.58	4.94	1.31	3.46	4.77	FALSE	0	X	WM	R	COR	42709	3687 A	B	B	0.09 1	TRUE
	WALGREEN 04123	1.17	3.74	4.91	1.12	3.57	4.69	FALSE	0	X	WG	R	COR	125521	3885 C	B	B	0.08 3	TRUE
	CANEYVILLE DRUGS INC	1.83	3.07	4.9	1.77	2.96	4.73	FALSE	0	X	R	COR	35056	2876 A	B	B	0.03 3	TRUE	
	ALEXANDRIA DRUGS INC	0.57	4.21	4.88	0.84	4.02	4.66	FALSE	0	X	U	COR	65566	3742 B	B	B	0.06 6	TRUE	
	WALMART PHM 10-0106	1.72	3.15	4.87	1.86	3.05	4.71	FALSE	0	X	WM	R	COR	64855	4991 B	B	B	0.08 1	TRUE
	THE MEDICINE SHOPPE	1.1	3.76	4.85	1.06	3.62	4.68	FALSE	0	X	R	IND	55615	13916 B	A	C	0.25 4	TRUE	

random name	overhead	labor	cost	cover	labor	cost	interventiv	psr	unitdtschain	chain	urban	ownership	totrks	medvol	total	code	medvol	code	mdsp	region	all	
09699	1.52	3.33	4.85	1.46	3.19	4.65	FALSE	0			U	COR	195389	52557	C	C	0.23	7	TRUE			
STULTZ PHARMACY INC	1.45	3.37	4.82	1.4	3.26	4.66	FALSE	0	X		WM	R	COR	175671	2488	C	B	0.01	1	TRUE		
WAL-MART PHARM 4491	1.26	3.36	4.82	1.22	3.43	4.65	FALSE	0			U	COR	59000	2210	C	B	0.04	0	TRUE			
WESTWOOD PHARM INC	1.5	3.32	4.82	1.43	3.17	4.6	FALSE	0	X		WG	U	COR	104031	2160	C	B	0.02	3	TRUE		
WALGREENS #4586	1.32	3.48	4.8	1.27	3.35	4.82	FALSE	0			R	COR	46019	22391	A	C	0.43	7	TRUE			
BATTISON DRUG	0.91	3.89	4.8	0.88	3.75	4.83	FALSE	0	X		KM	R	COR	32787	7486	B	B	0.14	8	TRUE		
K-MART PHARMACY 7384	1.18	3.6	4.78	1.14	3.47	4.61	FALSE	0			R	COR	38205	6177	A	B	0.16	2	TRUE			
POOLIES PHARMACY CARE	0.62	4.16	4.78	0.59	4.01	4.6	FALSE	0	X		KR	U	COR	56041	354	B	A	0.01	5	TRUE		
KROGER PHARM L-721	0.81	3.87	4.78	0.88	3.74	4.62	FALSE	0			U	IND	24717	5962	A	3	0.24	2	TRUE			
CROFTON PHARMACY	0.39	4.38	4.77	0.38	4.23	4.61	FALSE	0	X		KR	U	COR	105548	1550	C	C	0.01	3	TRUE		
KROGER PHARM L-372	1.06	3.71	4.77	1.01	3.54	4.55	FALSE	0	X		WG	U	COR	130558	2981	C	B	0.02	5	TRUE		
WALGREENS (02988)	1.64	3.13	4.77	1.56	3.03	4.61	FALSE	0	X		WM	R	COR	54416	13787	B	C	0.25	8	TRUE		
WAL-MART PHM 10-1189	0.89	3.77	4.76	0.95	3.63	4.53	FALSE	0	X		WM	U	COR	27075	1115	A	C	0.04	5	TRUE		
HORNES DRUG	1.55	3.2	4.75	1.5	3.1	4.6	FALSE	0	X		WM	R	COR	49008	2859	A	B	0.06	4	TRUE		
WAL-MART PHM 10-0282	0.9	3.85	4.75	0.87	3.72	4.53	FALSE	0			R	COR	36987	14387	A	C	0.35	8	TRUE			
MIKELS DRIVE IN PHAR	0.91	3.83	4.74	0.87	3.66	4.53	FALSE	0	X		R	COR	83590	3439	B	B	0.04	5	TRUE			
EASTSIDE PHARMACY OF CYNTH	1.32	3.42	4.74	1.27	3.3	4.57	FALSE	0			R	COR	24447	6362	A	B	0.26	8	TRUE			
MAR-NICO FAM DRUG	1.53	3.2	4.73	1.47	3.06	4.53	FALSE	0			R	COR	52135	19525	B	C	0.37	4	TRUE			
NANCY PHARMACY	0.49	4.23	4.72	0.47	4.08	4.53	FALSE	0	X		KR	U	COR	71299	254	B	A	0	3	TRUE		
KROGER PHARM L-272	0.53	4.19	4.72	0.51	4.04	4.55	FALSE	0	X		KR	U	COR	59222	1732	B	C	0.03	3	TRUE		
KROGER PHARM L-181	0.86	3.86	4.72	0.83	3.72	4.55	FALSE	0			R	COR	79518	28542	B	C	0.36	8	TRUE			
THOMPSON DISCOUNT DRUG	1.08	3.63	4.71	1.04	3.5	4.54	FALSE	0			R	IND	31468	6301	A	B	0.2	2	TRUE			
FAMILY DRUGS	0.48	4.23	4.71	0.48	4.08	4.54	FALSE	0	X		KR	U	COR	54713	927	B	A	0.02	3	TRUE		
KROGER PHARM L-332	1.39	3.32	4.71	1.34	3.22	4.55	FALSE	0	X		WM	R	COR	111336	18907	C	C	0.17	8	TRUE		
WAL-MART PHA 10-0736	0.87	3.74	4.71	0.84	3.6	4.54	FALSE	0	X		KM	R	COR	49267	3500	A	B	0.07	8	TRUE		
K-MART PHARMACY 7280	0.94	3.76	4.7	0.9	3.62	4.52	FALSE	0	X		R	COR	84618	30974	B	C	0.37	7	TRUE			
COLONIAL VILLAGE PHM	0.621	4.17	4.7	0.62	4.32	FALSE		0.0035			R	COR	89789	55528	B	C	0.62	8	TRUE			
COSCO DRUGS INC	2.27	2.43	4.7	2.19	2.34	4.53	FALSE	0			WM	U	COR	81760	1214	B	A	0.01	3	TRUE		
WAL-MART PHM 10-1170	0.71	3.97	4.68	0.69	3.82	4.51	FALSE	0	X		KR	R	COR	59779	1747	B	C	0.03	3	TRUE		
KROGER PHARM L-903	1.45	3.22	4.67	1.41	3.11	4.52	FALSE	0	X		WM	U	COR	162106	20032	C	C	0.12	7	TRUE		
WAL-MART PHA 10-1426	0.75	3.91	4.66	0.72	3.77	4.46	FALSE	0			R	COR	73231	20529	B	C	0.41	7	TRUE			
RIVERVIEW PHARMACY	1.06	3.6	4.66	1.01	3.43	4.44	FALSE	0	X		WG	U	COR	65467	1465	B	B	0.02	5	TRUE		
WALGREENS (01647)	1.27	3.36	4.65	1.2	3.21	4.41	FALSE	0	X		PH	U	COR	116355	12375	C	C	0.11	7	TRUE		
PHARM-NOR 218	1.33	3.32	4.65	1.29	3.21	4.5	FALSE	0	X		WM	R	COR	129631	2968	C	B	0.02	3	TRUE		
WAL-MART PHM 10-0709	0.96	3.66	4.65	0.96	3.53	4.49	FALSE	0	X		R	COR	99498	48930	B	C	0.49	1	TRUE			
DUNCAN PRESCRIPTION	0.93	4.1	4.63	0.51	3.95	4.46	FALSE	0			KR	U	COR	51893	5688	B	C	0.11	2	TRUE		
KROGER PHARM L-716	1.56	3.04	4.62	1.52	2.94	4.46	FALSE	0	0.0309	X	U	COR	305200	54650	C	C	0.18	3	TRUE			
STAT CARE PHARMACY INC	1.32	3.32	4.62	1.27	3.19	4.46	FALSE	0	X		WM	R	COR	85127	1522	B	A	0.02	5	TRUE		
WAL-MART PHM 10-0720	1.3	3.3	4.62	1.26	3.2	4.46	FALSE	0			R	COR	61856	17656	B	C	0.29	1	TRUE			
SUTTON DRUGS	1.23	3.38	4.62	1.19	3.27	4.46	FALSE	0			U	COR	45901	3242	A	B	0.07	2	TRUE			
TOMS FAMILY PHARMACY	1.36	3.26	4.62	1.32	3.15	4.47	FALSE	0	X		WM	U	COR	55413	7448	B	B	0.13	2	TRUE		
WAL-MART PHM 10-0653	1.11	3.49	4.6	1.08	3.37	4.45	FALSE	0	X		KM	R	COR	60303	3043	B	B	0.05	1	TRUE		
K-MART PHARMACY 9566	1.24	3.34	4.58	1.19	3.22	4.41	FALSE	0			R	COR	34620	15843	A	C	0.46	8	TRUE			
BETSY LAYNE PHAR INC	0.93	3.65	4.58	0.88	3.49	4.37	FALSE	0			VAG	U	COR	89211	9650	B	B	0.11	6	TRUE		
WALGREENS 1909	1.07	3.51	4.53	1.02	3.35	4.37	FALSE	0	X		WG	U	COR	183339	2968	C	B	0.02	3	TRUE		
WALGREEN 3618	1.06	3.53	4.53	1.01	3.41	4.42	FALSE	0			U	COR	75334	10788	B	C	0.14	7	TRUE			
MCDONALD PHARM INC	0.83	3.73	4.53	0.8	3.6	4.4	FALSE	0			U	IND	25570	823	A	A	0.03	5	TRUE			
SIMS STORE	1.84	2.72	4.55	1.78	2.63	4.41	FALSE	0	X		WM	R	COR	73853	4371	B	B	0.06	1	TRUE		
WAL-MART PHM 10-0143	1.36	3.21	4.55	1.32	3.13	4.45	FALSE	0	X		R	COR	63907	2290	B	B	0.04	5	TRUE			
FITZGERALD DRUGS INC	1.31	3.23	4.54	1.26	3.12	4.38	FALSE	0			U	COR	104988	23610	C	C	0.23	7	TRUE			
HORTON BROS & BROWN	1.31	3.25	4.54	1.27	3.11	4.38	FALSE	0	X		U	COR	86140	31504	B	C	0.37	6	TRUE			
BLANK'S PHARMACY	1.31	3.25	4.54	1.27	3.11	4.38	FALSE	0	X		U	COR	86140	31504	B	C	0.37	6	TRUE			
GRANT COUNTY DRUG	1.31	3.21	4.52	1.26	3.06	4.35	FALSE	0	X		U	COR	134800	28636	C	C	0.21	6	TRUE			
WALGREENS 0547	1	3.47	4.47	0.96	3.31	4.27	FALSE	0			R	COR	53452	24504	B	C	0.46	4	TRUE			
FARRISON PHARM INC	0.79	3.67	4.46	0.76	3.54	4.3	FALSE	0			WM	R	COR	64538	30246	B	C	0.03	3	TRUE		
WAL-MART PHM 10-1259	1.41	3.05	4.46	1.36	2.95	4.31	FALSE	0	X		WM	R	COR	69654	11032	B	C	0.16	8	TRUE		
WAL-MART PHARMACY 100294	1.51	2.95	4.46	1.46	2.86	4.32	FALSE	0	X		WM	R	COR	101820	9576	C	B	0.09	2	TRUE		
CITIZENS DRUG INC	0.74	3.71	4.45	0.72	3.58	4.3	FALSE	0			R	COR	50569	15998	B	C	0.32	8	TRUE			
KROGER PHARMACY L730	0.41	4.03	4.44	0.44	3.88	4.28	FALSE	0	X		KR	R	COR	52879	1435	B	A	0.03	3	TRUE		
WAL-MART PHM 10-0519	1.42	3.02	4.44	1.38	2.92	4.3	FALSE	0	X		WM	U	COR	48531	702	A	A	0.01	3	TRUE		
KROGER PHARM L-346	0.48	3.94	4.42	0.46	3.8	4.26	FALSE	0	X		KR	U	COR	170754	1210	C	A	0.01	3	TRUE		
U OF LOUISIANA PHARM	0.56	3.86	4.42	0.54	3.73	4.27	FALSE	0			U	COR	124256	4459	C	B	0.04	3	TRUE			
SMITH-KENNEY INC	1.07	3.35	4.42	1.04	3.23	4.27	FALSE	0			R	COR	148416	5932	C	B	0.04	3	TRUE			
WAL-MART PHA 10-0665	1.38	3.03	4.41	1.34	2.83	4.27	FALSE	0	X		WM	R	COR	56775	8442	B	B	0.09	2	TRUE		
WAL-MART PHA 10-1053	1.42	2.98	4.4	1.37	2.88	4.25	FALSE	0	X		WM	U	COR	51913	1852	B	A	0.02	3	TRUE		
SMITHLAND DRUGS	1.08	3.32	4.4	1.04	3.2	4.24	FALSE	0			R	IND	48900	13088	A	C	0.29	1	TRUE			
KMART PHARMACY 3888	0.95	3.45	4.4	0.92	3.34	4.26	FALSE	0			KM	U	COR	64983	4719	B	B	0.07	2	TRUE		

random name	overhead	labor	cost	lower	ulabor	uocost	interventiv	per	unitidocoin	chain	curban	ownershp	totrxs	medvol	totvol	code medvol	code medper	region	all
9389	WAL-MART PHM 10-2538	1.31	3.05	4.4	1.26	2.98	4.24	FALSE	0	X	WM	U	COR	95424	14776 B	C	C	0.15 7	TRUE
8479	CENTIL CITY CLINIC PHM	0.85	3.53	4.39	0.83	3.4	4.23	FALSE	0.0231		R	R	COR	131522	24404 C	C	C	0.16 2	TRUE
4944	KROGER PHARM L-369	0.4	3.98	4.38	0.38	3.83	4.21	FALSE	0	X	KR	R	COR	66058	9268 B	B	B	0.14 4	TRUE
5297	BATH COUNTY DRUGS	1.43	2.95	4.38	1.38	2.85	4.23	FALSE	0		KR	R	IND	41235	8064 A	B	B	0.2 7	TRUE
8967	WAL-MART PHM 10-0493	1.52	2.85	4.38	1.47	2.77	4.24	FALSE	0	X	WM	U	COR	83918	2077 B	B	B	0.02 5	TRUE
2608	WALMART PHM 10-1140	1.46	2.91	4.37	1.42	2.81	4.23	FALSE	0	X	WM	R	COR	101690	6110 C	B	B	0.06 5	TRUE
2444	HOPKINS DRUG CO INC	0.62	3.74	4.36	0.6	3.61	4.21	FALSE	0		R	R	COR	46796	3718 A	B	B	0.06 5	TRUE
2054	WAL-MART PHA 10-1505	1.33	3.02	4.35	1.29	2.92	4.21	FALSE	0	X	WM	R	COR	131075	14281 C	C	A	0.11 8	TRUE
4458	SOUTHSIDE DRUGS	1.93	2.42	4.35	1.86	2.33	4.19	FALSE	0		WM	O	COR	19442	895 A	C	B	0.06 0	TRUE
5326	THE MEDICINE SHOPPE	2.35	1.95	4.33	2.29	1.88	4.17	FALSE	0		WM	U	COR	89260	3921 B	B	B	0.04 5	TRUE
9208	WAL-MART PHA 10-0431	1.59	2.75	4.33	1.53	2.66	4.19	FALSE	0	X	WM	R	COR	166566	16138 C	C	B	0.1 2	TRUE
3512	KROGER PHARM L-901	0.46	3.85	4.32	0.44	3.72	4.16	FALSE	0	X	KR	R	COR	50417	15393 B	C	C	0.31 4	TRUE
9298	WAL-MART PHM 10-1233	1.46	2.86	4.32	1.41	2.77	4.16	FALSE	0	X	WM	R	COR	165430	26531 C	C	C	0.16 3	TRUE
1137	KROGER PHARM L-707	0.43	3.88	4.31	0.42	3.74	4.16	FALSE	0	X	KR	U	COR	123442	737 C	A	A	0.01 3	TRUE
7955	WAL-MART PHM 10-1210	1.61	2.7	4.31	1.56	2.62	4.16	FALSE	0	X	WM	U	COR	94566	1495 B	A	B	0.32 5	TRUE
2023	WAL-MART PHM 10-1561	1.34	2.96	4.3	1.3	2.87	4.17	FALSE	0	X	WM	U	COR	123247	5332 C	B	B	0.04 6	TRUE
4651	WEATHERS DRUGS	1.01	3.25	4.3	0.98	3.18	4.15	FALSE	0		R	R	COR	37631	18502 A	C	C	0.48 2	TRUE
5323	WAL-MART PHA 10-1569	1.32	2.97	4.29	1.28	2.87	4.16	FALSE	0	X	WM	R	COR	115708	11479 C	C	B	0.1 7	TRUE
8321	K-MART PHARMACY 8513	0.82	3.47	4.29	0.78	3.35	4.13	FALSE	0	X	KM	R	COR	53724	9265 B	B	B	0.17 9	TRUE
4279	PEOPLES DRUG STORE	0.74	3.54	4.28	0.71	3.41	4.12	FALSE	0		R	R	COR	65002	6337 B	B	B	0.09 3	TRUE
5659	MIDWAY PHARMACY INC	1.07	3.21	4.28	1.03	3.1	4.13	FALSE	0		R	R	COR	80004	5192 B	B	B	0.06 3	TRUE
1666	WAL-MART PHA 10-0299	1.36	2.69	4.27	1.34	2.79	4.13	FALSE	0	X	WM	R	COR	121616	7254 C	B	B	0.06 4	TRUE
3390	WAL-MART PHM 10-0571	1.3	2.97	4.27	1.26	2.87	4.13	FALSE	0	X	WM	U	COR	71117	563 B	A	A	0.01 5	TRUE
5282	WAL-MART PHM 10-0736	1.37	2.9	4.27	1.32	2.8	4.12	FALSE	0	X	WM	R	COR	67142	5998 B	B	B	0.09 4	TRUE
3463	WAL-MART PHM 10-1190	1.42	2.85	4.27	1.37	2.76	4.13	FALSE	0	X	WM	U	COR	80325	1531 B	A	B	0.02 5	TRUE
1598	MORGAN DRUG STORE	0.85	3.41	4.26	0.81	3.25	4.07	FALSE	0		R	R	COR	99828	46523 B	C	C	0.47 8	TRUE
6055	CORNER PRESCRIPT SHOPPE	1.2	3.05	4.25	1.15	2.94	4.09	FALSE	0		R	R	COR	52073	17568 B	C	C	0.35 8	TRUE
4121	WALGREENS (01513)	1.03	3.21	4.24	0.99	3.05	4.05	FALSE	0	X	WG	U	COR	61745	3168 B	B	B	0.05 3	TRUE
7233	MEDICAL STOP PHARM	0.74	3.5	4.24	0.71	3.38	4.09	FALSE	0		WG	U	COR	44050	8253 A	B	B	0.19 2	TRUE
3418	WALGREENS (02052)	1.14	3.1	4.24	1.09	2.95	4.04	FALSE	0	X	WG	U	COR	63040	2089 B	B	B	0.03 3	TRUE
5057	WAL-MART PHA 10-0589	1.21	3.02	4.23	1.17	2.92	4.09	FALSE	0	X	WM	R	COR	88751	16542 B	C	C	0.18 4	TRUE
5528	CAVE CITY PRESC CTR	1.01	3.2	4.22	0.98	3.1	4.08	FALSE	0	X	R	IND	COR	35989	12527 A	C	C	0.34 4	TRUE
0117	WALGREENS 01915	0.96	3.23	4.21	0.93	3.08	4.01	FALSE	0	X	WG	U	COR	88816	4251 B	C	B	0.05 3	TRUE
1956	KROGER PHARM L-299	0.43	3.78	4.21	0.41	3.65	4.06	FALSE	0	X	KR	R	COR	60297	1114 B	A	A	0.02 5	TRUE
2296	NATIONS MEDICINES	1.8	2.41	4.21	1.73	2.33	4.06	FALSE	0	X	R	R	COR	65967	15163 B	C	C	0.23 4	TRUE
5142	FAMILY DRUG OF NEON	0.83	3.38	4.21	0.8	3.25	4.05	FALSE	0		R	PAR	COR	35186	18091 A	C	C	0.51 6	TRUE
5686	MEDICAL ARTS PHARM	1.26	2.85	4.21	1.22	2.85	4.07	FALSE	0	X	R	R	COR	71249	16031 B	C	C	0.22 4	TRUE
7016	GRIDER DRUG STORE	0.67	3.53	4.2	0.65	3.4	4.05	FALSE	0		R	IND	COR	47721	20392 A	C	C	0.43 4	TRUE
8270	LOUISA DRUG STORE	0.88	3.52	4.2	0.86	3.39	4.05	FALSE	0		R	R	COR	91796	32441 B	C	C	0.35 7	TRUE
9097	ARCHER CLINIC PHARM	0.7	3.48	4.18	0.68	3.35	4.03	FALSE	0		R	R	COR	46183	27285 A	C	C	0.59 8	TRUE
4912	BOGGS PHARMACY INC	2.34	1.83	4.17	2.28	1.77	4.03	FALSE	0		R	R	COR	63525	16928 B	C	C	0.27 8	TRUE
8457	COOKS PHARMACY #2	1.5	2.67	4.17	1.42	2.53	3.95	FALSE	0		R	R	COR	35590	1218 A	C	B	0.03 3	TRUE
5259	HOMETOWN PHARMACY	1.11	3.05	4.15	1.07	2.94	4.01	FALSE	0		R	R	COR	105645	69813 C	C	C	0.06 8	TRUE
5893	WAL-MART PHA 10-1675	1.38	2.77	4.15	1.33	2.68	4.01	FALSE	0	X	WM	R	COR	46414	1228 A	A	B	0.03 3	TRUE
7145	WAL-MART PHM 10-0719	1.38	2.76	4.14	1.34	2.67	4.01	FALSE	0	X	WM	U	COR	97817	1449 B	A	A	0.01 5	TRUE
4208	KROGER PHARM L-364	0.54	3.58	4.12	0.52	3.45	3.97	FALSE	0	X	KR	U	COR	82655	830 B	A	A	0.01 5	TRUE
8012	K-MART PHARMACY 4827	1	3.12	4.12	0.97	3	3.97	FALSE	0	X	KM	R	COR	79810	14778 B	C	C	0.19 8	TRUE
1159	WAL-MART PHA 10-1247	1.28	2.83	4.11	1.24	2.74	3.98	FALSE	0	X	WM	R	COR	81555	8163 B	B	B	0.1 8	TRUE
1615	KROGER PHARM L-376	0.39	3.71	4.1	0.37	3.57	3.94	FALSE	0	X	KR	U	COR	104335	1775 C	A	B	0.02 3	TRUE
4130	UPPER LEVISA CLIN PHM INC	1.55	2.55	4.1	1.49	2.46	3.95	FALSE	0		R	R	COR	51600	14091 B	C	C	0.27 8	TRUE
7538	WAL-MART PHM 10-0692	1.27	2.83	4.1	1.23	2.74	3.97	FALSE	0	X	WM	R	COR	121668	3947 C	B	B	0.03 5	TRUE
0815	ADAMS PHARMACY	1.34	2.75	4.09	1.3	2.66	3.96	FALSE	0		R	IND	COR	19014	809 A	A	B	0.04 3	TRUE
8218	WALGREENS 03755	1.02	3.07	4.09	0.98	2.93	3.91	FALSE	0	X	WG	U	COR	202768	8293 C	C	B	0.04 3	TRUE
7147	INSTITAL PHARM INC	2.55	1.53	4.06	2.46	1.48	3.94	FALSE	0	X	R	COR	185000	103390 C	B	C	0.58 8	TRUE	
4602	RILEY PRESCRIPT CTR	1.84	2.22	4.06	1.77	2.14	3.91	FALSE	0	X	R	R	COR	67668	19551 B	C	C	0.29 2	TRUE
6062	WAL-MART PHA 10-1143	1.58	2.48	4.06	1.53	2.39	3.92	FALSE	0	X	WM	R	COR	135206	27528 C	C	C	0.2 8	TRUE
2449	PARKWAY PHARMACY	0.59	3.45	4.04	0.58	3.37	3.95	FALSE	0	X	R	R	COR	114517	44044 C	C	C	0.38 8	TRUE
2418	MATHES PHARMACY INC	0.71	3.31	4.02	0.68	3.19	3.87	FALSE	0	X	O	COR	120062	2144 C	E	B	0.02 0	TRUE	
9652	MEDICINE SHOPE PHARM 1311	1.03	2.99	4.02	0.99	2.88	3.87	FALSE	0		R	R	COR	52792	27640 B	C	C	0.52 8	TRUE
1304	K-MART PHARMACY 3103	0.8	3.19	3.99	0.78	3.09	3.87	FALSE	0	X	KM	R	COR	74586	6033 B	B	B	0.09 1	TRUE
4623	CARLISLE DRUG INC	0.86	3.13	3.99	0.83	3.02	3.85	FALSE	0		R	R	COR	23900	2251 A	B	B	0.09 5	TRUE
7209	RCE DRUG INC	0.89	3.1	3.99	0.86	2.99	3.85	FALSE	0		R	R	COR	150711	37434 C	C	C	0.25 2	TRUE
9433	SMITH- DRUG CO INC	0.54	3.45	3.99	0.52	3.33	3.85	FALSE	0	X	R	R	COR	39046	10359 A	C	C	0.27 3	TRUE
4656	GREEN VALLEY DRUGS	1.42	2.55	3.98	1.37	2.47	3.84	FALSE	0		R	IND	COR	35000	8428 A	B	B	0.24 2	TRUE
8044	WT FROMAN DRUG CO	1.15	2.83	3.98	1.11	2.73	3.84	FALSE	0		R	R	COR	64816	1587 B	A	A	0.02 3	TRUE
9469	PIKEVILLE DSCNT DRUG	1.52	2.46	3.98	1.47	2.38	3.85	FALSE	0		R	R	COR	34124	17620 A	C	C	0.52 8	TRUE
2701	BELL DRUG STORE	1.2	2.77	3.97	1.14														

random name	overhead	labor	cost	cover	upbdr	uegst	interventv	per	untdtochain	chainurban	ownership	totvol	code	medvol	code	medpar	code	medpar	region	all
7566 WALGREENS (02324)	1.3	2.63	3.93	1.25	2.51	3.76	FALSE	0	X	WG	U	COR	87071	2419 B	B	B	0.03 3	TRUE	TRUE	
2828 WAL-MART PHA 10-0729	1.19	2.73	3.92	1.15	2.64	3.79	FALSE	0	X	WM	R	COR	89003	1834 B	A	B	0.02 3	TRUE	TRUE	
0228 GRIDER DRUG 2	0.61	3.3	3.91	0.59	3.18	3.77	FALSE	0	X	WM	R	IND	84624	37595 B	C	C	0.44 4	TRUE	TRUE	
4274 WAL-MART PHM 10-0445	1.29	2.62	3.91	1.25	2.53	3.78	FALSE	0	X	WM	R	COR	139256	3653 C	B	B	0.03 3	TRUE	TRUE	
5708 KROGER PHARMAC L-347	0.51	3.4	3.91	0.5	3.28	3.73	FALSE	0	X	KR	U	COR	104463	1657 C	A	B	0.02 5	TRUE	TRUE	
6564 SOUTHALL PHARMACY	1.13	2.78	3.91	1.09	2.68	3.77	FALSE	0	X	R	IND	82670	13039 B	C	C	0.21 3	TRUE	TRUE		
3042 KROGER PHARM L-387	0.45	3.45	3.9	0.43	3.33	3.76	FALSE	0	X	KR	U	COR	134921	675 C	A	A	0.01 3	TRUE	TRUE	
7460 K-MART PHARMACY 7268	0.75	3.15	3.9	0.74	3.05	3.73	FALSE	0	X	KM	U	COR	84608	1303 B	A	B	0.02 3	TRUE	TRUE	
3189 KROGER PHARM L-361	0.5	3.39	3.89	0.48	3.27	3.75	FALSE	0	X	KR	U	COR	127317	2346 C	B	B	0.02 5	TRUE	TRUE	
3185 KROGER PHARM L-709	0.43	3.44	3.87	0.41	3.31	3.72	FALSE	0	X	KR	U	COR	98577	1393 B	A	A	0.01 5	TRUE	TRUE	
3306 WALMART PHA 10-0507	1.51	2.36	3.87	1.46	2.28	3.74	FALSE	0	X	WM	R	COR	55963	368 B	A	A	0.01 5	TRUE	TRUE	
2529 CAPPS PHARMACY	0.84	3.02	3.86	0.81	2.92	3.73	FALSE	0	X	R	COR	52271	27500 B	C	C	0.53 4	TRUE	TRUE		
5687 CRESTWOOD PHARMACY	1.14	2.72	3.86	1.11	2.66	3.77	FALSE	0	X	U	COR	28210	870 A	A	B	0.03 3	TRUE	TRUE		
6771 BURGESS DRUG STORE	0.75	3.11	3.86	0.73	3	3.73	FALSE	0	X	R	COR	117324	62255 C	C	C	0.53 4	TRUE	TRUE		
2545 KROGER PHARM L-402	0.45	3.4	3.85	0.43	3.28	3.71	FALSE	0	X	KR	U	COR	100439	1520 C	A	B	0.02 5	TRUE	TRUE	
6868 LYON DRUG STORE INC	0.9	2.95	3.85	0.87	2.85	3.72	FALSE	0	X	R	COR	59273	13776 B	C	C	0.23 1	TRUE	TRUE		
5047 WHITESBURG PHARMACY	1.12	2.72	3.84	1.08	2.63	3.71	FALSE	0	X	R	COR	52358	22648 B	C	C	0.43 8	TRUE	TRUE		
7284 KROGER PHARM L-408	0.4	3.44	3.84	0.39	3.31	3.7	FALSE	0	X	KR	R	COR	96355	1466 B	A	A	0.02 3	TRUE	TRUE	
8124 KROGER PHARM L-366	0.41	3.43	3.84	0.39	3.31	3.7	FALSE	0	X	KR	U	COR	140397	2333 C	B	B	0.02 3	TRUE	TRUE	
9322 BEEBA DRUGS	0.92	2.92	3.84	0.89	2.82	3.71	FALSE	0	X	U	COR	113428	2018 C	B	B	0.02 5	TRUE	TRUE		
0398 KROGER PHARM L-705	0.47	3.35	3.82	0.45	3.23	3.68	FALSE	0	X	KR	U	COR	138166	2456 C	B	B	0.02 5	TRUE	TRUE	
5862 SMITH PHARMACY INC	1.13	2.68	3.82	1.08	2.6	3.68	FALSE	0	X	R	COR	72044	48376 B	C	C	0.67 4	TRUE	TRUE		
6926 WEIGEL S PHARMACY	1.42	2.39	3.81	1.37	2.31	3.68	FALSE	0	X	R	IND	66145	23422 B	C	C	0.35 4	TRUE	TRUE		
2550 MOUNTAIN APOTHECARY, INC	1.63	2.17	3.8	1.57	2.09	3.66	FALSE	0	X	R	COR	53595	33010 B	C	C	0.61 8	TRUE	TRUE		
4444 CLARKS DRUGS INC	0.61	3.18	3.8	0.59	3.08	3.67	FALSE	0	X	R	COR	94412	36333 B	C	C	0.36 4	TRUE	TRUE		
7343 MONTGOMERY DRUG	0.61	3.18	3.79	0.58	3.07	3.66	FALSE	0	X	R	COR	66112	33739 B	B	B	0.05 3	TRUE	TRUE		
7431 COLUMBIA PHARMACY	0.9	2.89	3.79	0.87	2.78	3.65	FALSE	0	X	R	COR	89033	46566 B	C	C	0.52 4	TRUE	TRUE		
4400 REDDS PHARMACY INC	0.85	2.91	3.77	0.81	2.75	3.56	FALSE	0	X	R	COR	54330	14814 B	C	C	0.27 8	TRUE	TRUE		
7499 PATS PHARMACY	0.93	2.76	3.76	0.92	2.63	3.56	FALSE	0.0022	X	R	COR	86539	8225 B	B	B	0.07 3	TRUE	TRUE		
4967 CORNER DRUG STORE	0.73	2.97	3.75	0.75	2.86	3.61	FALSE	0	X	R	IND	42201	6744 A	B	B	0.16 2	TRUE	TRUE		
8756 WAL-MART PHM 10-1113	1.35	2.4	3.75	1.31	2.32	3.63	FALSE	0	X	WM	R	COR	141235	16173 C	C	B	0.11 8	TRUE	TRUE	
1282 FAMILY DRG OF WALVRTG	0.88	2.86	3.74	0.86	2.75	3.61	FALSE	0	X	R	PAR	65660	29113 B	C	C	0.44 8	TRUE	TRUE		
2304 WALMART PHAR 10-0683	1.48	2.26	3.74	1.43	2.18	3.61	FALSE	0	X	WM	R	COR	75773	23553 B	C	C	0.31 8	TRUE	TRUE	
4594 KROGER PHARM L-408	0.46	3.28	3.74	0.44	3.17	3.61	FALSE	0	X	KR	R	COR	97925	13572 B	C	C	0.14 8	TRUE	TRUE	
9874 WALGREENS (0309)	0.95	2.78	3.74	0.91	2.65	3.57	FALSE	0	X	WG	U	COR	90166	11766 B	C	S	0.13 5	TRUE	TRUE	
1837 KROGER PHARM L-363	0.4	3.33	3.73	0.39	3.21	3.6	FALSE	0	X	KR	R	COR	97455	1372 B	A	A	0.31 5	TRUE	TRUE	
4743 FOUNTAIN PHARM INC	1.53	2.2	3.73	1.46	2.09	3.55	FALSE	0	X	KR	U	COR	38401	1599 A	A	B	0.04 3	TRUE	TRUE	
5505 KROGER PHARM L-360	0.36	3.94	3.73	0.38	3.22	3.6	FALSE	0	X	KR	U	COR	107696	695 C	A	A	0.01 3	TRUE	TRUE	
6092 KROGER CO PHARM 355	0.43	3.29	3.72	0.42	3.17	3.59	FALSE	0	X	KR	R	COR	108377	19556 C	C	C	0.18 9	TRUE	TRUE	
6153 PEYTONS PHARMACY INC	0.96	2.73	3.72	0.95	2.64	3.59	FALSE	0	X	R	COR	67705	24411 B	C	C	0.36 7	TRUE	TRUE		
4327 SCHILLINGS PHARMACY	2.34	1.37	3.71	2.25	1.32	3.57	FALSE	0	X	U	IND	5190	614 A	A	B	0.12 6	TRUE	TRUE		
5135 HOMETOWN PHARMACY	0.85	2.81	3.7	0.85	2.71	3.57	FALSE	0	X	R	COR	30287	6690 A	B	B	0.23 8	TRUE	TRUE		
5219 KROGER PHARM L-379	0.43	3.26	3.69	0.42	3.14	3.56	FALSE	0	X	KR	U	COR	127128	428 C	A	A	0	3	TRUE	TRUE
9437 KROGER PHARM L-729	0.46	3.23	3.69	0.45	3.12	3.57	FALSE	0	X	KR	U	COR	113803	1478 C	A	A	0.01 3	TRUE	TRUE	
1184 SAVARITE DRUGS INC	1.19	2.49	3.68	1.15	2.4	3.55	FALSE	0	X	R	COR	57316	1780 B	A	B	0.03 3	TRUE	TRUE		
2590 WALMART PHM 10-0584	1.37	2.31	3.63	1.32	2.23	3.55	FALSE	0	X	WM	U	COR	144675	3841 C	B	B	0.03 8	TRUE	TRUE	
7602 FAMILY DRUG CTR	0.64	3.04	3.63	0.62	2.93	3.55	FALSE	0	X	R	COR	57101	28630 B	C	C	0.5 9	TRUE	TRUE		
2411 KROGER PHARM L-371	0.41	3.26	3.67	0.4	3.14	3.54	FALSE	0	X	KR	U	COR	120392	451 C	A	A	0	5	TRUE	TRUE
2641 KROGER PHARMACY L-356	0.41	3.25	3.65	0.4	3.14	3.54	FALSE	0	X	KR	U	COR	115697	1060 C	A	A	0.01 3	TRUE	TRUE	
5876 SUTTONS PHARMACY INC	0.76	2.99	3.65	0.73	2.76	3.52	FALSE	0	X	R	COR	75185	3055 B	B	B	0.04 5	TRUE	TRUE		
3378 SOUTHERN HEALTH-CARE INC	1.5	2.14	3.64	1.43	2.04	3.47	FALSE	0	X	R	COR	74895	35320 B	C	C	0.47 8	TRUE	TRUE		
9101 M & M DRUG STORE	0.88	2.75	3.63	0.85	2.65	3.5	FALSE	0	X	U	COR	46879	2021 A	B	B	0.04 5	TRUE	TRUE		
9475 K-MART PHARMACY 8783	1.02	2.6	3.62	0.96	2.5	3.48	FALSE	0	X	KM	R	COR	90633	13385 B	C	C	0.15 8	TRUE	TRUE	
2735 MILLS DRUGSTORE	1.03	2.58	3.61	0.97	2.44	3.41	FALSE	0	X	U	IND	56366	18821 B	C	C	0.35 2	TRUE	TRUE		
9096 KROGER PHARM L-350	0.39	3.22	3.61	0.36	3.11	3.49	FALSE	0	X	KR	U	COR	136696	1754 C	A	A	0.01 3	TRUE	TRUE	
4387 MCCONNELLS DRUG STORE	0.82	2.77	3.59	0.79	2.67	3.46	FALSE	0	X	R	COR	43337	15457 A	C	C	0.36 1	TRUE	TRUE		
5596 JEFFS PHARMACY	1.34	2.25	3.58	1.26	2.17	3.46	FALSE	0	X	R	COR	75090	34372 B	C	C	0.46 8	TRUE	TRUE		
9063 PARKWAY PHARMACY	1.02	2.57	3.58	0.96	2.48	3.46	FALSE	0	X	R	COR	101911	50830 C	C	C	0.5 8	TRUE	TRUE		
3438 KROGER PHARM L-368	0.42	3.16	3.58	0.4	3.05	3.45	FALSE	0	X	KR	R	COR	145023	1399 C	A	A	0.01 5	TRUE	TRUE	
2462 WALMART PHM 10-0581	1.45	2.12	3.57	1.41	2.05	3.46	FALSE	0	X	WM	R	COR	94189	2986 B	B	B	0.03 5	TRUE	TRUE	
2745 DANNYS DRUGS	0.79	2.78	3.57	0.76	2.68	3.44	FALSE	0	X	R	COR	12000	2754 C	B	B	0.02 0	TRUE	TRUE		
1222 K-MART PHARMACY 4232	0.74	2.82	3.56	0.72	2.72	3.44	FALSE	0	X	KM	U	COR	73902	1478 B	A	B	0.02 5	TRUE	TRUE	
3806 EDMONSON DRUG CO	1.17	2.39	3.56	1.13	2.31	3.44	FALSE	0	X	R	COR	73967	21694 B	C	C	0.29 4	TRUE	TRUE		
9601 KROGER PHARM L-367	0.47	3.09	3.56	0.46	2.98	3.43	FALSE	0	X	KR	R	COR	97268	2318 B	B	B	0.02 5	TRUE	TRUE	
6150 KROGER PHARM L-327	0.39	3.16	3.55	0.38	3.04	3.42	FALSE	0	X	KR	U	COR	107766	4293 C	B	B	0.04 3	TRUE	TRUE	
9384 SNIDER DRUG INC	0.89	2.65	3.54	0.86	2.55	3.41	FALSE	0	X	R	COR	31057	737 A	A	B	0.02 3	TRUE	TRUE		
1002 KROGER PHARMACY	0.42	3.1	3.52	0.41	2.98	3.4	FALSE	0	X	KR	U	COR	118839	1554 C	A	A	0.01 5	TRUE	TRUE	
4117 KROGER PHARM L-345	0.43	3.09	3.52																	

random name	overhead	dislab	cost	lower	labor	cost	interv	in/vol	per	untd	chain	curban	ownship	totals	med/vol	total	code	med/vol	code	med/vol	region	all
8056	1.81	1.89	3.5	1.56	1.33	FALSE	0	X	X	WM	R	R	COR	96215	2105	B	B	002	5	TRUE		
WALMART PHM 10-0825	1.07	2.4	3.47	1.02	1.29	3.31	FALSE	0	X	R	R	COR	96215	11804	B	B	014	8	TRUE			
NICHOLS APOTH INC	77722	1.03	2.42	3.45	0.98	2.31	3.23	FALSE	0	X	WG	U	COR	96966	5596	B	B	006	3	TRUE		
WALGREENS 2538	52881	1.03	2.42	3.45	0.98	2.31	3.23	FALSE	0	X	WG	U	COR	198320	4450	C	B	002	3	TRUE		
WALGREENS (04216)	8471	0.57	2.88	3.45	0.55	2.77	3.32	FALSE	0	X	R	COR	53402	31322	B	C	043	8	TRUE			
NAPIER FAMILY DRUG	99892	0.84	2.59	3.42	0.51	2.49	3.33	FALSE	0	X	R	COR	69300	2351	B	B	009	3	TRUE			
WEBSTER DRUGS	06618	1.49	1.91	3.4	1.44	1.85	3.23	FALSE	0	X	R	COR	53144	23965	B	C	045	8	TRUE			
RED BIRD PHARMACY	69008	0.43	2.97	3.4	0.41	2.86	3.27	FALSE	0	X	KR	U	COR	113572	1869	C	A	002	5	TRUE		
KROGER PHARM L-359	7062	0.69	2.73	3.36	0.56	2.69	3.25	FALSE	0	X	R	COR	202920	72512	C	C	036	8	TRUE			
SAV RITE FARM PHM INC	85891	1.42	1.92	3.34	1.37	1.86	3.21	FALSE	0	X	R	COR	47343	24829	A	C	052	8	TRUE			
LACKEY PHARMACY	29231	0.96	2.34	3.34	0.92	2.29	3.21	FALSE	0	X	R	COR	63784	29242	B	C	036	8	TRUE			
TOTAL PHARMACY CARE	43770	0.68	2.61	3.29	0.65	2.5	3.15	FALSE	0	X	R	COR	61519	16081	B	C	02	2	TRUE			
GREENVILLE PHARMACY	67996	0.41	2.85	3.26	0.4	2.75	3.15	FALSE	0	X	KR	U	COR	132204	2437	C	B	002	3	TRUE		
KROGER PHARM L-394	82688	0.79	2.46	3.25	0.76	2.37	3.13	FALSE	0	X	R	COR	56425	854	B	A	002	5	TRUE			
ANDERSON CO DSCPT PHM	88577	0.4	2.84	3.24	0.39	2.74	3.11	FALSE	0	X	KR	U	COR	124541	1240	C	A	001	3	TRUE		
KROGER PHARM L-367	40330	1.43	1.74	3.22	1.43	1.68	3.11	FALSE	0	X	R	COR	91097	3965	B	B	004	3	TRUE			
TOWNE & COUNTRY PHM FLORES	9139	0.93	2.11	3.2	1.05	2.02	3.07	FALSE	0	X	R	COR	59315	27547	B	C	046	7	TRUE			
OSMAN PHARMACY	8564	0.63	2.59	3.12	0.51	2.49	3	FALSE	0	X	U	COR	106922	2076	C	B	002	5	TRUE			
DRUG MART	80444	0.82	2.48	3.11	0.58	2.4	2.98	FALSE	0	X	KM	U	COR	82450	14214	B	C	017	4	TRUE		
K-MART PHARMACY* 7255	99999	1.08	2.02	3.08	1.02	1.95	2.97	FALSE	0	X	U	COR	61358	12302	B	C	02	2	TRUE			
WHITESVILLE DRUG INC	15983	0.9	2.18	3.08	0.85	2.06	2.91	FALSE	0	X	R	IND	39511	14467	A	C	037	1	TRUE			
RUMFELT DRUG	5742	0.6	2.47	3.07	0.58	2.36	2.94	FALSE	0	X	R	COR	136227	84087	C	C	061	4	TRUE			
F & H DRUG	03998	0.74	2.33	3.07	0.72	2.24	2.96	FALSE	0	X	O	COR	78548	11647	C	C	015	0	TRUE			
JELICO DRUG STORE	64002	0.64	2.49	3.03	0.52	2.4	2.92	FALSE	0	X	R	COR	87234	48318	C	C	056	8	TRUE			
FAMILY DRUG CTR #3	74465	0.56	2.47	3.03	0.54	2.39	2.93	FALSE	0	X	R	COR	65000	7214	B	B	011	1	TRUE			
J & R PHARMACY	7634	0.75	2.25	3	0.71	2.14	2.86	FALSE	0	X	U	IND	129839	17655	C	B	014	2	TRUE			
CAYCES PHARMACY	80339	0.95	2.01	2.96	0.92	1.93	2.85	FALSE	0	X	U	IND	39157	1810	A	A	006	3	TRUE			
BEELERS DRUG STORE	5131	0.86	2.06	2.95	0.86	1.98	2.84	FALSE	0	X	R	PAR	27620	2750	A	B	01	2	TRUE			
STURGS PHARMACY	5151	0.83	2.2	2.83	0.6	2.09	2.89	FALSE	0	X	R	COR	84630	31257	B	C	037	7	TRUE			
HOLBROOK DRUG	5838	0.63	2.17	2.7	0.51	2.09	2.81	FALSE	0	X	R	COR	75041	844	B	B	011	4	TRUE			
R-H MOORE DRUG CO	3258	0.77	1.91	2.68	0.74	1.82	2.56	FALSE	0	X	U	COR	179435	58448	C	C	033	2	TRUE			
SAVE MORE DRUGS	7387	0.67	1.81	2.48	0.65	1.75	2.4	FALSE	0	X	R	COR	139682	6529	C	B	005	3	TRUE			
JEFF'S PRESSOR SHOP	77779	0.63	1.96	2.39	0.51	1.75	2.27	FALSE	0	X	R	IND	138077	78932	C	C	057	4	TRUE			
DAUGHERTY DRUG STORE	5930	0.65	2.141	90.01	66.15	20.65	36.8	TRUE	1	X	U	COR	23874	5818	A	B	019	3	TRUE			
INTEGRITY HLTH CARE SVCS	5601	38.26	16.96	54.62	36.62	16.65	52.28	TRUE	1	X	R	COR	2529	1145	A	A	045	1	TRUE			
WESTERN KY IV SERVICES INC	5748	18.2	28.37	46.57	17.41	27.14	44.55	TRUE	1	X	R	COR	2772	1856	A	A	067	1	TRUE			
OPTION OR OF PADUCAH	9531	30.34	11.57	41.91	29.03	11.08	40.11	TRUE	0.7414	X	R	COR	13877	12163	A	C	088	4	TRUE			
LIFENET USA INC	5109	9.76	13.57	23.33	9.41	13.09	22.5	TRUE	1	X	R	COR	7000	581	A	B	008	4	TRUE			
OPTION CAPE	9548	4.49	6.32	10.81	4.33	6.1	13.43	TRUE	0.7409	X	U	COR	13117	3715	A	B	028	5	TRUE			
STONE ROAD PHARMACY	4617	2.67	4.77	7.44	2.57	4.5	7.17	TRUE	0.0933	X	DR	U	COR	564080	66664	C	C	012	3	TRUE		
D & R PHARMACARE	7842	3.05	4.13	7.18	2.92	3.95	6.87	TRUE	0.1574	X	U	COR	114267	14910	C	C	013	3	TRUE			
NEIGHBORHOODS/LEWISVILLE	3136	1.66	4.41	6.07	1.5	4.25	5.86	TRUE	0.1055	X	DR	U	COR	383915	59647	C	C	016	5	TRUE		
D & R PHARMACARE	72718	2.13	3.93	6.06	2.05	3.79	5.84	TRUE	0.1215	X	O	COR	903198	55184	C	B	006	0	TRUE			
HOME CARE PHARMACY	3463	1.67	3.73	5.4	1.61	3.58	5.2	TRUE	0.2411	X	U	COR	503106	118574	C	C	024	2	TRUE			
UNITED PHARMACY ASSO	2908	1.8115	2.98	4.61	1.89	2.59	4.45	TRUE	0.0542	X	R	COR	265637	46055	C	C	017	6	TRUE			
THREE FORKS APOTHECA	18115	1.02	2.24	4.26	0.99	3.12	4.11	TRUE	0.0627	X	DR	U	COR	52762	42020	B	C	08	3	TRUE		
D & R PHARMACARE	2900	1.02	2.24	4.26	0.99	3.12	4.11	TRUE	0.0627	X	DR	U	COR	52762	42020	B	C	08	3	TRUE		